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NATIONAL BUSINESS REVIEW



Brew coup — deja vu

by Allan Parker

THE \$2 million share-buying spree that turned jet-setting Auckland Douglas Myers into the undisputed booze baron of New Zealand came after a Lion Breweries board decision not to let him have company shares as part of another Myers-Lion sale deal.

The Myers family company, Campbell and Ehrenfried, and Lion Breweries are equal partners in the wine and spirit merchant operation, New Zealand Wines and Spirits Ltd.

Under the arrangement, C & E managed the company and the brewery was obliged to buy up the C & E holding if the Auckland-based company decided to pull out.

Lion had an option to pay up to 25 per cent of the value of

the C & E holding in Lion shares.

However, Lion board policy has been to write a cheque in purchasing deals because the company has a good cash flow and its shares are priced well below asset value.

The latest such example is the \$2.5 million cash injection for a 35 per cent stake in the financially-troubled winemaker Penfolds NZ Ltd.

Thus Lion rejected its share-issue option in the NZ Wines and Spirits deal and set the scene for last week's two-day buying bonanza that gave Myers, the C & E managing director, 19.9 per cent of Lion Breweries shares.

Industry and Lion insiders last week described the Myers foray as no surprise, although they were left gaping by the scale of Myers' ambition.

They were also openly admiring the style with which Myers has pulled off his coup: in effect, he has used Lion's own money — the \$20 million or so that will come from the NZ Wines and Spirits sale — to become one of the largest shareholders in the company.



For Myers personally, the Lion deal was just one step in what turned out to be an extremely busy week. Just as the dust was settling from the share-buying exercise, the 42-year-old administrator, who had a long-cherished personal ambition to produce potable alcohol from whey for export.

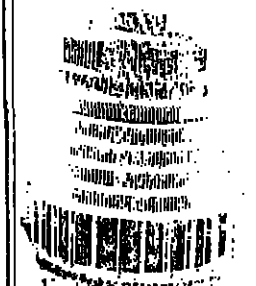
The New Zealand Distillery Company — in which Myers has an interest through NZ Wines and Spirits — had already planned to go ahead with the Myers family deal.

Page 14: The Myers plan... sharp business acumen with a sense of style.

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We say . . .

by Reg Birchfield

THE trouble with institutionalisation is that no one wants to make a decision — and so it is with the editorial staff of National Business Review.

For a newspaper that in the past has boasted of its ability to be decisive — some would say lead with its chin — there was an alarming reluctance by journalists to pick the winner of this year's election stakes.

This paper has successfully predicted the winner of the '72, '76 and '78 elections. But when asked to "do it again" every member of the permanent journalistic staff equivocated. I suppose it has something to do with being at the top and believing that means there's only one way to go.

Granted that when this edition of NBR went to press there were still eight days to go to polling day.

But as a publisher, I do not intend to be frustrated by the faint-hearted. This paper has a responsibility to stick its neck out now and then.

The only solution to a publisher's predicament seemed to be to poll the pussyfooters and present readers with the results of this cautious consensus.

The editor must be excused from any future recommitments — he used the ultimate evasive tactic and left the country.

Even our intrepid Colin James, the man who chose successfully in 1972 and 1978, was not prepared to go any further than have his vote hidden among the others of the in-house poll result. I accept his learned explanation that this is the most difficult election to read he has experienced.

For the record then, NBR's team of "talent" voted one for National, three for Labour and four for a hung Parliament. In other words a defeat for National.

That vote did not include my own prediction. After demanding an albeit painfully extracted series of decisions I could hardly avoid the issue myself.

For that reason my choice is National with a working majority similar to the one it holds now.

On a more serious note, however, this issue, while short on definitive decisions, is not short on further coverage of the campaign.

Even though this has been dubbed the "Clayton's campaign" — the one you're having when you don't want one — this week's NBR is extensively devoted to the pros, cons and prospects for next Saturday. We have updated our electorate surveys, the party policies and the issues following last month's NBR Outlook election special.

But equivocation or not, James' last word on the campaign is on Page 7.

Bradley airborne?

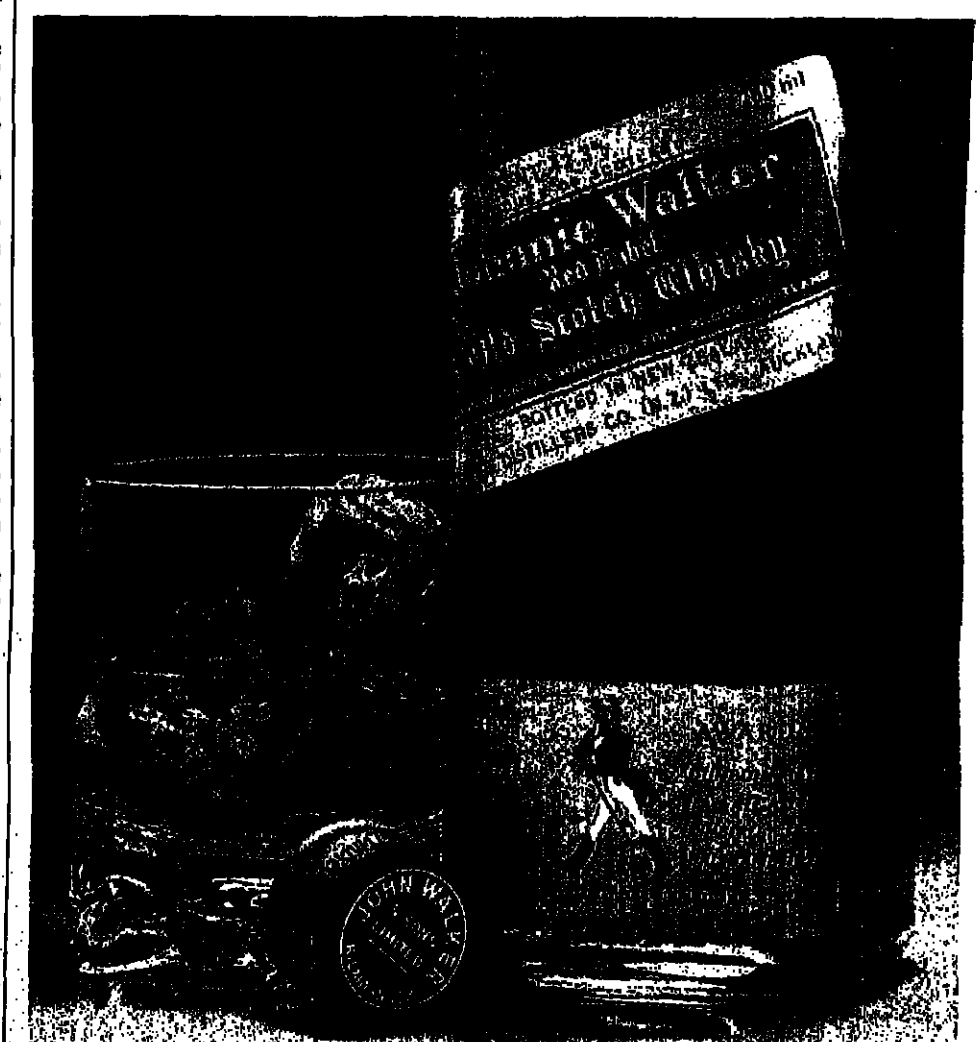
IAN Bradley, the former commander of HMNZS Walkaro who quit the Navy and hit the headlines, has swapped seafaring for wings.

Last week he was named general manager, on a consultancy basis, of the Aqua Avia Society, which fathered

the "Independent" "members-only" Skybus airline.

As the Government stepped in last Friday to stall Skybus' takeoff a new management inherited the airline's legal hassles.

See Page 16.



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James Watson's Red Label. Born 1820 — still going strong.

The week

The week

'Just Juice' just isn't, in officialdom's opinion

by Warren Berryman

THE Health Department has decided to let the Apple and Pear Board off the hook after finding the producer board's recently launched carton drink, "Just Juice" does not comply with regulations for pure fruit drinks.

And this decision has called into question whether the juice should be subject to sales tax.

As a pure fruit drink "Just Juice" would be exempt from the 20 per cent sales tax levied on fruit drinks made with a minimum 5 per cent juice.

"Just Juice" contains 65 per cent de-ionised juice; a colourless, tasteless, substance made from apple and pear juices and used as a fruit juice extender.

When the Health Department discovered "Just Juice" did not comply in labelling or contents as a pure fruit drink its first thought was to impound the drinks at the Apple and Pear Board's Auckland

plant where the product is packed in Tetra Brik cartons.

But, following discussions with the Apple and Pear Board, the Health Department agreed to allow sales of "Just Juice" provided the board restricted these sales to greater Auckland until such time as the cartons were relabelled and the de-ionised extender reformulated to comply with the regulations.

Nevertheless, the Apple and Pear Board's plans for big summer sales and an eventual \$8 million market for "Just Juice" have been interrupted by the Health Department move.

The board's marketing plans have been suspended while it and the Health Department work out final details of the agreement.

Apple and Pear Board operations manager, Dean Soldera, explained that the lead time for ordering new Tetra Brik carton paper with the changed labels was at least four months, though he was confident the

board could reconstitute the de-ionised juice to conform with the regulations.

As to the large amount of pre-labelled Tetra Brik carton paper already in stock, Soldera said he hoped this could be used for the Auckland market while the new stock of relabelled paper was used in the rest of the country.

Other options included throwing the existing stock of paper away or putting stickers on the existing cartons to conform with the regulations.

As for the sales tax, Soldera said the board did not agree that the product was not a pure fruit drink.

"Technically you could say if it doesn't qualify under the regulations you would have to pay the tax. But it's a bit of a nonsense, really. Facing all the costs of a 100 per cent fruit juice and putting a 20 per cent

tax on top of that — might as well make a fruit drink," he said.

Director of Health Dr Maxwell Collins said: "In my view it would be quite unfair to call it ("Just Juice") a fruit drink quite apart from any sales tax business. It's very much more a juice than a fruit drink.

"This is really a technological advance, which is not covered in the regulations at all. If we really looked at it precisely it is neither a juice nor a fruit drink. I would have to agree there is some debate whether it could be called a juice," Collins said.

"We have now come to an agreement with the Apple and Pear Board that they will reformulate it to bring it precisely into the requirements set out in regulation 197 of the Food and Drug Regulations," he said.

"They will also re-label it so the main label will include an apple base, which I think is a fair comment on what the true nature of the thing is."

Collins said "Just Juice" would be relabelled as a juice, not a fruit drink, so it would not be subject to the sales tax.

So, NBR asked, if new supplies of "Just Juice" will be formulated and relabelled to comply with the regulations, what about supplies currently being sold on the Auckland market?

"That's the question I hoped you weren't going to ask me," Collins said. "The agreement is that they won't release it in other districts outside the greater Auckland area. They've agreed to a time limit for sales in Auckland."

The first batch of de-ionised juice came from Apple and Pear Board stock sent to Australia for processing. When it returned to New Zealand Customs and the Auckland office of the Health Department had a look at it to see if it was fact juice, or just fruit sugar.

The Apple and Pear Board's de-ionisation plant at Hastings is coming on stream now, so future de-ionisation can be done here rather than in Australia.

Soldera said the export potential of de-ionised juice to Australia was good and the United States market was being investigated.

The Apple and Pear Board already has about 80 per cent of the fruit juice market, but is bidding for more with "Just Juice's" four flavours. The board has also entered into a joint deal with the Coca Cola and Export Corporation to put and distribute Coke's "Hi-C" natural fruit drinks in Tetra Pak cartons.

All gas and little 'go' on CNG conversion units

by Anne Taylor

THE company planning to patent a device converting diesel-run vehicles to CNG is keeping potential users here firmly in the dark over its plans.

The Wellington gas company, Welgas, has developed a conversion device, with a potential world market of hundreds of thousands of units a year, which is seen as one of the most promising ways to reduce drastically our dependence on imported crude oil.

So far it is all promise and no performance from Welgas. But the company is plagued by criticism from interested groups impressed by the system's potential as an economic diesel substitute, and the prospect for a big industry manufacturing and exporting.

Welgas applied for a patent in its CNG diesel conversion

unit at the end of September. But the unit which would allow diesel engines to run on 80 per cent CNG, 20 per cent diesel (according to Welgas), has not yet been shown to any of the local diesel agents.

Welgas general manager Lloyd Brown, heading the joint development with Italian company Tassari Brothers, has been critical of the local reaction. "We've had a great deal of interest from overseas — more than from New Zealand I'm sorry to say," he said of the system, which has attracted an order of 10,000 units from Pakistan.

But local diesel vehicle agents are agreed that the invention, if satisfactory to their overseas principals and in terms of engine wear, has extraordinary potential.

The Liquid Fuels Trust Board did initial tests on the

system and produced a preliminary report, critical of the electronic governor on the CNG supply — the novel element of the Welgas system.

Welgas was required, under the contract with the LFTB, to carry out the systems development work but it withdrew the engine following the criticism.

Brown was recently quoted as saying "we went to the LFTB and were awarded a contract — however, they did nothing."

Tony Hart, product manager for Italian tractor manufacturer, Same, told NBR: "I wish Welgas would get in touch."

"If I could get something on it here and go to Same I could get an export thing going... we're looking at a potential market of 50,000 units a year."

But without any idea of the system's performance the

agents are in a bind. "Without the principal company's approval we could not fit the kits. If a user does not adhere to the manufacturers' specifications then the warranty becomes null and void," Hart said.

"Same are going like crazy to try and get something together. I'd love to be first. The thing is so hot that when it bursts it'll make someone a lot of money," said Hart.

Detroit Diesel Allison agent Ken Davidson, who, like Hart, works for the Clyde Group, said his principal "would certainly be interested". Detroit has recently put 87,000 8.2 litre four-cycle engines on the market and "a percentage of these could, depending on the cost, be converted."

A technical spokesman for the Road Transport Association, Chris Burger, said the system "would be a great ad-

vance if it was proved practical for heavy goods transport." But "it's such a question mark. Nobody knows what test conditions it has been run under."

"Operators have to have a reliable system and none are going to operate with an unguaranteed system."

The RTA would be "more than happy to have a look at the thing. Our members, I'm sure, would like to take advantage of something that could save 50 per cent of diesel costs," said Burger.

The technology for CNG diesel conversion is available throughout the world, but New Zealand, fast becoming a leader

in alternative fuel technology, has been putting in the research. Mesco Gas in Auckland is "still doing a lot of experiments. We've a long way to go before we get there," according to general manager Jim McPhillips.

Mesco is encountering problems with metering in the gas mix and with cylinder pressure which could give rise to faster engine wear.

"It'll be a wonderful thing for New Zealand if someone could do it. We could be heading into an acute shortage of diesel; it's the most susceptible to supply problems and shortage," McPhillips said.

The business week

Bullfinch Ltd: unaudited net profit for the half year ended September 30 was \$3,735,000 (last year \$851,000). An interim dividend of 4 cents per share will be paid tax free on January 8.

Hunting and Co Ltd: lodged a formal takeover offer for all the issued capital of T J Edmonds Ltd. The terms of the offer were one Hunting share plus \$1 cash or \$3.20 cash for each Edmonds share. Hunting had already purchased 109,925 shares on the same terms. T J Edmonds directors agreed to recommend the offer to shareholders and said they intended accepting the share and cash offer.

Canterbury Timber Products Ltd and Australian Consolidated Industries Ltd: as part of a rationalisation of assets held in Australia and this country have agreed that A.C.I. will purchase shares held by Canterbury Timber Products Ltd in A.C.I. Ltd.

Canterbury Timber Products Ltd: unaudited net profit for the half year ended September 30 was \$6,011,000 (last year \$1,047,000). An interim dividend of 9 cents per share for ordinary shares will be paid on December 1.

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Week that was . . . and to be

THE "statistical" level of people unemployed was revealed as 60,860 after results of a sample survey from the Census were released. The figure was 2.2 per cent higher than the number registered with the Labour Department.

GEAR Meat Works closure added another \$90 to the unemployed figures. Unions and management each blamed the other side.

SOUTH Pacific Aluminium Ltd won't ask the Government to supply equity capital for the Aramona smelter project in the event that it does not find another partner.

CONCERN over allegedly leaked government documents surfaced again when Prime Minister Rob Muldoon was asked to release Treasury and Trade and Industry documents critical of some of the "Think Big" projects.

MONDAY: NZ Geological Assn, Hamilton, to Friday

TUESDAY: NZ Rental Vehicles Assn, conference, Rotorua, to Friday

WEDNESDAY: NZ Health Records Assn, conference, Nelson, to Friday

THURSDAY: NZ Health Records Assn, conference, Nelson, to Friday

FRIDAY: Dalgety NZ Ltd, AGM, Wellington

ASHLEY Beigh Ltd, AGM, Christchurch

THURSDAY: TNL Group Ltd, AGM, Nelson

Brierley Investments Ltd, AGM, Wellington

FRIDAY: Dalgety NZ Ltd, AGM, Wellington

ANDAS Group Ltd, AGM, Wellington

McKee Brothers, AGM, New Plymouth

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Occupation.....
Signature.....



"When you invent a new fruit you usually have to invent a new pack"

Horticulture exports are worth \$140 million a year to New Zealand and will treble within 10 years. Innovation has kept Turners & Growers amongst the leaders in the industry. Kevin Turner talks about innovation as it applies to his company's packaging.

Kevin Turner:

Turners and Growers invented 'Kiwifruit'. Not the fruit itself, of course, but the name was coined by us. And we were the first to export Kiwifruit to Japan and North America. Actually, we were responsible for much of the early work in establishing kiwifruit markets and sales.

As well as opening up new markets we produced palletisation into the kiwifruit industry and we were the first to charter aircraft to export the fruit. Another of our firsts was goldfruit. Again we pioneered the name. In fact it was the result of a competition we held among our staff members.

Everytime we look at a new development, be it a new fruit, vegetable or flower line, a new name, new fruit or new way of freighting, we must look at the packaging. We export more than twenty different products and most require different approaches to packaging. So you see, our packaging needs are quite complex.

In many ways packaging is a lot like insurance. The secret of insurance is knowing when you have enough. Too much and it's costing you money. Too little and you're running a risk. Packaging is similar. And again, the tricky part is knowing when you have the right amount.

A good example is the case designed for our kiwifruit exports. It's a lot more solid and more expensive than most citrus fruit packaging, but it's paying for us. Every shipment is reaching the market in perfect condition.

It's our line the only way to compete overseas is by being the best product. If we don't get our product to the markets in perfect condition, I mean perfect, it won't sell. So we take a great deal of time and trouble to ensure our packaging is right — for protection, presentation and cost.



There are other criteria too, of course. Most of what we market overseas is packed in the good by the grower. Obviously we can't put in a packaging that demands a complicated filling system.

Paperboard:

The greatest proportion of our packaging uses paperboard. As I mentioned, protection is vital. As much of our exports are air freighted, lightness is essential. So presentation, as many of the packs become the display within the store. We've found paperboard is the only packaging material that satisfactorily meets all these needs.

Packaging development comes under the control of Colin Olsen, Packaging Controller.

Colin Olsen:

"We do most of our own packaging development. I know most companies work with the converters from the beginning, but we tend to bring them in at a later stage. For us it works because we have a depth of expertise and experience in packaging."

"We know our requirements and the needs of our growers as well as those of the market. We do our homework. Then we start to design a pack to suit."

Teamwork:

"Anyone in the company is able to contribute to that pack. It's not one person, it's teamwork from us all, the promotion and publicity people, marketing people, cool storage engineers and shipping people. When we have something we feel will work we talk to the converter."

"We have developed an excellent relationship with UEB. They've handled most of our packaging over the years and their insight and experience has been a great help. Even though we do our own packaging development, what we give to UEB is really a rough draft, a prototype. They usually come up with ways of improving it, or making it a better pack."

Copied:

"The success of the relationship and our way of working is proven by the number of ideas that have been taken up by our competitors. Do we mind being copied? Not at all. Any improvement that benefits the industry ultimately benefits us. It's the penalty and the advantage of being the market leader. And to stay ahead we must come up with more new ideas, more innovations. It keeps us on our toes."

As previously mentioned the greatest proportion of our packaging uses paperboard. We did try other materials, but they just didn't work out. I can't see us moving away from paperboard. Not in the foreseeable future anyway."

K. B. Turner *Colin Olsen*
N.Z. Forest Products Limited
Part and parcel of the packaging industry.

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Your husband makes a good salary but there never really seems to be enough to pay the bills. His tax rate is too high.

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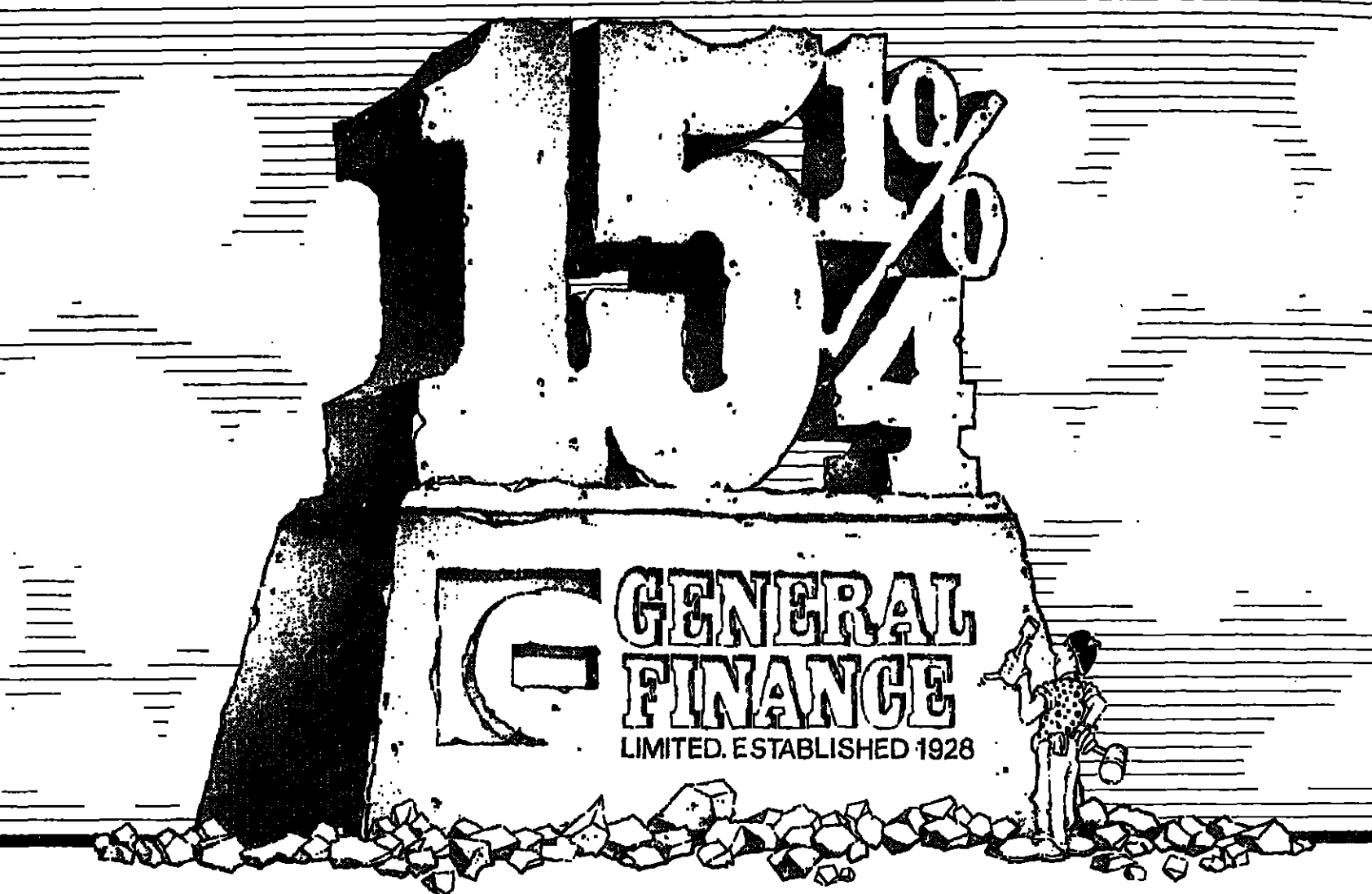
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by Richard Fletcher

BUSINESS is coming to the party — all three parties. While companies remain traditionally coy about the contributions to campaign coffers, the National Party is not the only beneficiary of corporate largesse.

Both opposition parties — in their varying ways commonly regarded as uncongenial bedmates for the business community — are happy with the financial response they encountered when they passed the plate around.

Labour has received more than the \$200,000 it realistically expected and Social Credit's tally is heading toward a similar total.

National won't tell. And the newly merged Fletcher Challenge is similarly non-committal about its election-year betting.

The Fletcher component of the company has always had a strong connection with the Labour Party since the original state house-building days and is understood to have been a major contributor to campaign funds in the past.

But it seems the Fletcher group has become increasingly aware of the disadvantages of being seen to side with one particular political party.

This time it isn't telling whether it has made any donations — even if it could be forgiven for switching its traditional allegiances to National, in view of Labour's mounting opposition to the company's planned Aramoana aluminium smelter.

Labour Party fund-raisers

have had a better response from big business this time than in past elections, but president Jim Anderson told *NBR* the party had adopted a new, more intensive approach to getting contributions from business houses.

Party organisers had canvassed a far wider range of companies than in past elections and had sometimes sent an MP along with party officials, allowing corporate executives to discuss aspects of Labour policy if they wanted to.

As a result, Anderson said, Labour had received more than the \$200,000 it budgeted for business donations, though he would not predict how much more Labour could expect from this source.

He also would not name any specific donor companies, as their contributions had been made on a confidential basis.

Most major companies, however, had given something, Anderson confirmed, and officials had noted a willingness to discuss major issues.

In general, Anderson believed most major companies "lived in the real world" and would give equally to both sides, but were less likely to support Social Credit.

Not so, according to Social Credit president Stefan Lipa, who told *NBR* that approaches to small and medium-sized business had been an integral part of campaign fund-raising since the league's Beetham Dwyer Foundation

was set up two and a half years ago.

The league had held a series of dinners to explain its policies to business people.

As a result, Lipa said, the overall business contribution to the fund was between \$100,000 and \$200,000 of \$1 million of the target. Secord had aimed for, and actually achieved by the end of last week.

National Party general director Barry Leay said party tradition was not to disclose where funds came from and he could not comment, even in general terms.

The response from a number of the larger companies *NBR* approached was mixed. Ford Motor Company NZ managing director Joe Auton said it was long-standing company policy

not to give donations, although the company was approached every election time. Ford, he said, was "an apolitical company and absolutely neutral."

New Zealand Steel Ltd managing director John Ingram said his company had a very firm policy of not making political donations, particularly since the Government had been a major financier in the formation of the company.

Executives in Fletcher Challenge and Feltex were not prepared to comment, though Fletcher Challenge corporate relations manager Lin Stoddart said the company in general did not discuss its donations to "charities and political parties."

When donations were made in the past, he said, it had been company policy to make them all round, though he was not sure if FCL had been approached this time.

Business betting 'buck each way'

The week

Pilots start own probe into Air NZ's affairs

by Allan Parker

HUNDREDS of Air New Zealand pilots, frustrated by what they see as Government interference and subsequent management inefficiencies, are carrying out their own probe into the troubled airline's operations.

They are seeking public relations advice from an outside agency about how they can get their evidence of inconsistent and conflicting political and management statements before the public.

"We don't want to start a great punch-up (with the management) in the press. But we are very concerned for the public of New Zealand and what airline service they could end up with," a spokesman for the Airline Pilots Association (ALPA) told *NBR*.

"All we want to do is simply point out where the airline could be a darned sight more efficient and where Government external pressure might have caused management to lose interest in some areas of

operation," said Peter Edgar, ALPA's industrial director.

But the pilots are also concerned about the appointment of a new chief executive for the airline.

They fear that what they call the "old boys club" of top management will merely reshuffle itself when the new appointment is made, rather than bring in fresh blood.

NBR has been given a discussion paper that documents and summarises the views of the pilots about the managerial appointments.

It states: "In the wake of the Mahon report, Air New Zealand reviewed its organisational structure and made certain changes."

"In the view of many of the staff little good will come of these changes so long as the same individuals manage the airline. Their track record gives no reason for confidence in the future."

"Neither the board nor senior management have shown any desire to effect the necessary shake-up."

"In at least one case applications were invited for an important managerial post and the incumbent was reappointed without the new contenders even being interviewed."

The pilots also say "everything points" to the new chief executive being a senior member of the present management of the airline.

"One of the two head office contenders (of four on the short-list) is considered to be a virtual certainty. Ho hum, more of the same!" the document says.

"Such blatant moves to keep the 'Old Boys Club' intact at all costs have produced bitter resentment among staff, many of whom believe that the new chief should definitely be appointed from outside the airline, and preferably from outside New Zealand."

The pilots believe a salary of \$60,000 has been set for the post, a figure that is eaten into substantially by taxation and one that they believe has put off at least one United States applicant for the position.

They also say the post was originally advertised in New York with a salary of \$200,000. That offer was subsequently withdrawn.

The pilots have other concerns about the operation of the airline.

They feel taxation levies and political interference by Government and a management desire to balance the books between both arms of the airline have forced the unnecessary cancellation of many

provincial routes and jeopardised others.

"Without the taxation levied on the internal airline, it would have been in the black or near enough to it," said Edgar.

For example, the pilots say, Fokker Friendships — the mainstay of the domestic provincial routes — can break even with a load factor of 37 to 38 per cent.

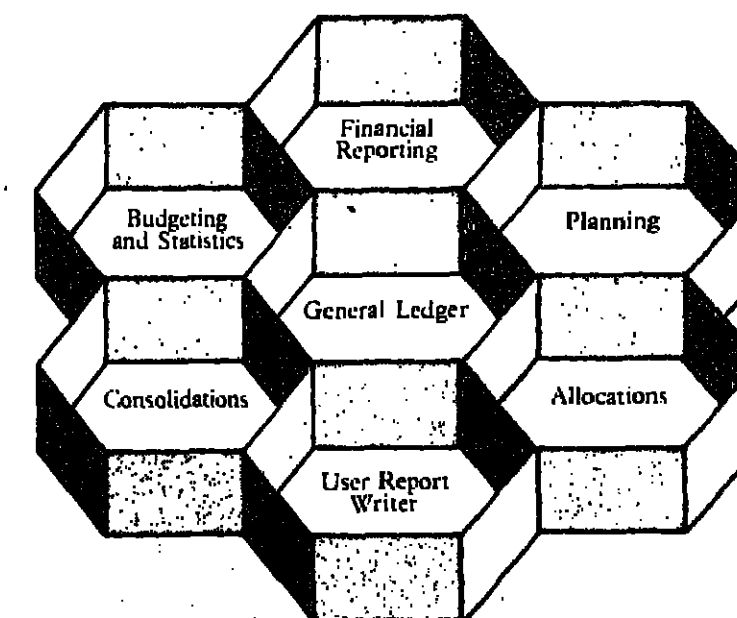
Some routes show a load factor as high as 75 per cent, according to the pilots' research.

"Yet the domestic aviation review policy, published by the Government, shows a loss," said Edgar.

The pilots also question the cost of maintaining a 17-floor head office in a prime downtown Auckland site, No 1 Queen Street.

"It's probably the most expensive bit of real estate in the country," said Edgar.

"It's become a bit of a status symbol for the airline."



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On past performance, rather than future promise, neither party has much to boast about. Inflation, the external deficit, unemployment and stunted growth are chronic problems.

If future promise is what matters, Labour must convincingly explain how it will finance its growth plans (especially in light of the tax slashing we are led to expect). Its plans, no less than National's export-led, energy-based growth strategy, rest unsteadily on a foundation of faith. But elections tend to be won by appeals to faith rather than reliance on the public's economic good sense. The consequences are entrenched in our economic system, to the despair of expert onlookers.

If promises did mean anything, Na-

— Bob Edlin

— Bob Edlin

But Labour has burdened itself with a mountain of promises and a corresponding legacy of suspicion. One constantly hears from ordinary people the question: Can Labour really do what it says?

But the 1978 result may have been deceptively favourable to Labour, which did not improve much on its low 1975 vote. Thus Labour may in fact be starting off further behind than the so-called National figure in 1978 suggests.

Late last week one potential such factor emerged: the publication of the so-called "secret reports" on the "Think Big" projects.

But if it takes root as an issue, as seemed distinctly possible late last week, the normal rules will apply.

... '81



Education Minister Merv Wellington with Wellington Central MP Ken Comber's encouragement has the regulations under review. A significant number of people think there is place for honouring the flag, apparently, and that only worry is the practicality of the situation. "Flags are not free. Fitting out schools which have not got flagpoles has a price attached to it—close to half a million," *NBR* was told. "The department is going to put pressure on the Golden Kiwi Lottery Board and communities are being encouraged to raise money themselves."

Stopwatched, fair coverage could present a problem or two over the next week. What if the report were leaked to the broadcasters, but one party refused to comment — wouldn't that "can" the news? And it poses an interesting future problem. Whichever tooth fairy gets elected, television will have to ponder the time allocation for the dentist.

ROTHA

YOU CANNOT HAVE A MOST EXCELLENT THING FOR NEW ZEALAND'S GREAT FUTURE, BUT JUST AS WELL THAT YOUR COUNTRY WILL BE INTERESTED, THERE'S NO OCCASION TO I

We must not forget the 400,000 people who have been lost on them

The firm would have netted around \$270,0

Unfortunately, no air ticket was enclosed facilitate arrival in Sydney at lunchtime t

SELF-sufficiency in transport fuels by 1986 has been a centre piece of National Party election platforms. So has discrediting the other parties' juggling of figures. But even the National Party can get it wrong, announcing in its manifesto brief — *Path to prosperity through energy growth* "a commitment to 150,000 vehicle conversions to LPG and CNG." We should have thought it was 150,000 CNG-powered vehicles and as many on to LPG as could be persuaded.

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After Muldoon ... the deluge?

WITH the election imminent my thoughts turn back to the election of 1975 when Mr Muldoon made such a splendid job of demonstrating to the electors the state of our economy after three years of Labour Government.

He travelled the country with his charts and graphs showing people in a simple and unmistakable way how badly the economy had deteriorated. He was right, and his promise, implicit and explicit, was that he would mastermind the recovery.

The people believed him as he probably believed himself, and he was swept into office. It was a great roadshow and he deserved to win. Do you remember?

Our current account deficit on overseas transactions was \$1000 million, the deficit of Government expenditure was

\$1000 million, our inflation rate was 14.7 per cent and 5000 people were unemployed, another 5000 on "special work".

My recollection of the 1978 election is much dimmer, but with the current account deficit at \$500 million, Government deficit at \$1450 million, the inflation rate at 11.1 per cent, 25,000 unemployed and another 24,000 on special work, it could be argued that some improvement had occurred since three years earlier.

Nevertheless there was disappointment, perhaps a touch of disillusionment, that things were not better. This was apparently felt by Mr Muldoon, who was more embattled, more entrenched in the task of repairing the economy and vindicating the reputation he had sold for himself.

The people demonstrated their feelings at the ballot box. They returned him to power but not with the enthusiasm of 1975 because the National majority was severely trimmed.

Now we are on the brink of the 1981 polls race, and what is the state of the nation? The current account deficit is \$730 million, the Government internal deficit is soaring to a record exceeding \$2000 million, the inflation rate is 15.4 per cent, 48,000 are unemployed and another 23,000 on special work. So now what, Mr Muldoon? Think big, growth strategy, that's what he says.

I am sorry, Sir, I do not believe that the big projects proposed and under way, whatever phrase is used to embrace them, are going to bring about recovery of the New Zealand economy.

And I perceive something else: If Mr Muldoon can persuade the people otherwise then he will not only win this election but also go some distance toward winning the elections of 1984 and 1987 because it will be even later when the contributions of the big projects in operation can be measured.

I am reluctant to help Mr

Muldoon toward winning such a long-term mandate.

So what alternatives do I have in this election? Mr Rowling and Labour? That would be a vote for perversity, blocking Mr Muldoon and National but, judging by all the experience and information available to me, at the cost of helping the economy into even worse straits in less time. Lots of heart but not much head in Labour.

Then what of Mr Beetham and Social Credit? Well, of course, the finance theory is bunkum and I will not be persuaded into wishfully thinking that the economic problems lie with the system rather than the people.

If Social Credit became the Government and put theory to the test of practice the economy would go down faster and further than I care to think about.

Alternatively, why should I believe that a bunch of new boys, sufficiently innocent of economic knowledge to embrace Social Credit theory,

could pursue more conventional economic policies with greater skill than the other parties who, at least, are not unfamiliar with the experience of trying to govern?

Labour and Social Credit get no marks whatsoever for initiative either, because neither has made any effort to damn Mr Muldoon with its own roadshow updating their charts and graphs that worked so well for him in 1975. How disappointing and colourless!

But there is really no worry that Social Credit may become the Government, and that is just where a vote for that party may have its value. If Social Credit could win sufficient seats to hold the balance of power it could become the Government.

The majority party would be required to gain the support of a group hopefully impartial to the worn planks of National and Labour, and with a measure of luck we could thus benefit with sounder, less partisan policies.

What integrity, judgment and eloquence would be required of those Social Credit members! It's a very long shot, I admit, but I suspect a lot of people are considering it. I haven't made up my mind.

A R McWilliam
Tauranga.

Policy on abortion

I WOULD like to draw your attention to an error in the article on abortion in an election issue (NBR, October 26).

The article states that one of the Abortion Law Reform's safeguards associated with abortion is the woman's decision is that there are to be no abortions over 12 weeks. This is not so.

ALRANZ policy states that "every effort must be made to ensure that abortions are carried out by the 13th week of pregnancy." An abortion, performed before 12 weeks, has a very low risk factor. However, to prohibit abortions over 12 weeks would cause many serious problems, among them denying foetal abnormality as a ground for abortion.

Alistair M Aitken
Abortion Law Reform Association

Labour Party tax policy

IN HIS article, "Institutions opt out" (NBR, October 26) Klaus Sorensen quotes an institutional man as saying he thought Labour would ring the election and, "that will do quite a bit of good what with the \$860 million they will release from taxes which will go into cars and housing." What a pity we can't be told the name of the institution!

Let's leave aside for the moment the question of whether the release of \$860 million is what the economy really needs and concentrate on the simple fact that the statement that \$860 million would be released is utter nonsense.

The Labour Party's tax analysis suggests that taxpayers are divided into two groups, goodies and baddies. The goodies can't dodge income tax and are therefore paying more relatively than the baddies who can. The policy is to lower the taxes on the goodies, but as expenditure is to go up (and how), not down, the lost revenue will be salvaged from (a) a surcharge on foreign exchange and (b) clamping down on tax evasion (the baddies).

The surcharge will yield about \$500 million, leaving another \$360 million to get from the baddies. Well, rogues and vagabonds the baddies may be, but if they have to pay an extra \$360 million in tax they will have \$360 million less to spend.

Conclusion: We end up where we were before as far as total spending is concerned.

As far as the economy in general is concerned, the tax plan will impose quite a heavy burden on exporters who will try to shift it on to the taxpayers and will "protect" manufacturers who don't need protection and probably considerably annoy many of our trading partners.

It is difficult to believe that the Labour Party consulted these economists who have Labour sympathies before embarking on a plan which must be one of the most unworkable ever to be put before electors.

J V White
Wellington

Organising women

THE section of your NBR Outlook election special dealing with Women's Issues (revealingly far down in the list of contents) is a commendable and on the whole fair summary of the current situation. Jo Lynch has packed a good deal of information into the allotted space, but compression may have left some false impressions.

Most women's organisations, she states, are locally based and do not have a national structure. The National Council of Women (which she cites in an earlier paragraph) not only has its own national structure, but as a co-ordinating council contains 39 societies all organised on a national basis, sending representatives at local level to 36 NCW branches throughout the country.

This diverse network, operating on its own policies built up through consensus, certainly bends its energies to effecting changes through the methods described — writing letters, presenting submissions etc.

But at another level, it is attempting to bring change in the system by the increasing number of women getting into local government, being appointed as MPs, and as members of a fair range of statutory bodies.

Changing attitudes takes even longer than changing laws, but being there is an important factor. We need more women to help more men men women in the fair sharing of political decision making.

Ruth Wylie,
National Secretary
National Council of Women

Power for smelters

ANN Hercus appears to have promised that Labour intends to cancel the Clutha Hydro project. On TV (Newsnight, November 8) she said that one source of finance for Labour's tax cut would be from the non-subsidisation of (Clutha) electricity to aluminium companies.

For this to be a financial saving either someone else must be prepared to pay the full price for Clutha power, or the scheme will be mothballed.

I believe there could be votes for Labour if such a promise was meant seriously.
Keith Rankin,
Wellington.

Socred 'escape route' to uncharted destination

by Colin James

SOCIAL Credit has got fat on the flesh of the Labour Party. But it is not only Labour it is scrapping with. It is also with National leader Robert Muldoon.

Social Credit's role in the election is both simple and complex.

The simple role is as a convenient, and now respectable, escape hatch from either of the two main parties — a surrogate anti-National party, for example, small towns in areas like Northland and the Waikato, or a surrogate anti-Labour party in a place like Wanganui.

Respectability developed when Bruce Beetham performed with skill and ability in the House and was dramatically enhanced after East Coast Bays fell into its lap last year.

According to a Heylen Poll for the Auckland Star in April, around half of all voters were seriously considering voting Social Credit. Even on October 3, after six months of waning overall support, that figure was still claimed as 42.5 per cent.

This does not necessarily translate into votes, but even if Social Credit does not substantially advance on Saturday compared with 1978 — even if in terms of parliamentary seats it falls back a bit — it has now established itself as a "normal" fixture on the political landscape.

No longer the sort of fringe, not-filled party one had to hold one's nose to vote for, Social Credit occupies a position something akin to Britain's Liberals. But that role is both complex and demanding. Since support comes from many different quarters, policy must have a broad enough pitch not to frighten any of them off.

Thus Social Credit has substantially modified its monetary policy — even since 1978. The credit authority is still in its manifesto to monopolise the issue of credit, along with the determination to draw up a balance sheet for the country.

But otherwise things are much vaguer now. Harder this year Beetham was talking of monetary policy as if it were not much more than balancing the budget. This has been fleshed out into inflation-proof savings, low-interest credit and a two-level tax regime to encourage saving.

Beyond this, its policies reflect its eclectic support: Energy, mining and conservation policies that appeal to the ex-Values voters in the top left of the chart;

Re-emphasis of private enterprise to give ex-National right-wingers a haven;

Tax, interest and finance concessions to appeal to small business people just to the right and above the centre of the chart who are frightened by big "think big" and crushed by big competition and high interest; A conservative moral stance to appeal to the bottom right quadrant and enough small Labour ideas like the "minimum living wage" to counter some of Labour's economic pull from the bottom left.

Amid this welter of apparent contradictions it is becoming clearer that Social Credit's profile is as the party of the small people.

Though it likes to see itself as progressive, this profile places it firmly on the conservative side of the political fence — and

principally, in conceptual terms, in the bottom right quadrant of the chart.

The small people need a rescuer (but a corporate one — that is, bigger than themselves, but friendly). Social Credit promises that.

This positioning means that in the longer term, if Social Credit continues to grow, it is likely to be at National's rather than Labour's expense. But for the time being, it is Labour at risk.

The old, stable Labour-National divide probably could be represented on the chart as a line from the top left corner of the chart to the bottom right.

The "soft liberals" of the early 1970s could bleed naturally from National into Values from their position in the upper bit of the top left quadrant.

Recently they have been bleeding to Labour as the new breed of Labour politician has thrust upwards into their territory.

Values also was able in 1975 to raid Labour's idealistic liberal stronghold, but they mostly went back in 1978.

"Tory" workers have always been found in the bottom right quadrant. Labour's problem in the past 20 years is that more workers have shifted into that quadrant and Labour has not been able to follow them. And now Muldoon is there.

Social Credit's apparent middle position in New Zealand politics is principally because it sits across the class divide in the bottom right quadrant (with a subsidiary factor that it is able to send feelers out along the line to old Values voters).

Social Credit is thus highly vulnerable to a Labour rebuilding of support among the conservative working class — or a shift of those people back towards the left.

For Social Credit to succeed, it seems the dividing line will have to be redrawn from bottom left to top right so that, like class-based National and Labour in the past, it has a natural solid unraidable base from which to build outwards and not a soft, balloon-like presence constantly subject to raiding.

To some extent the events of the past few years may have pencilled in the line that way. If perchance it was inked in during the 1980s it would mark a profound change in the underlying structure of New Zealand politics.

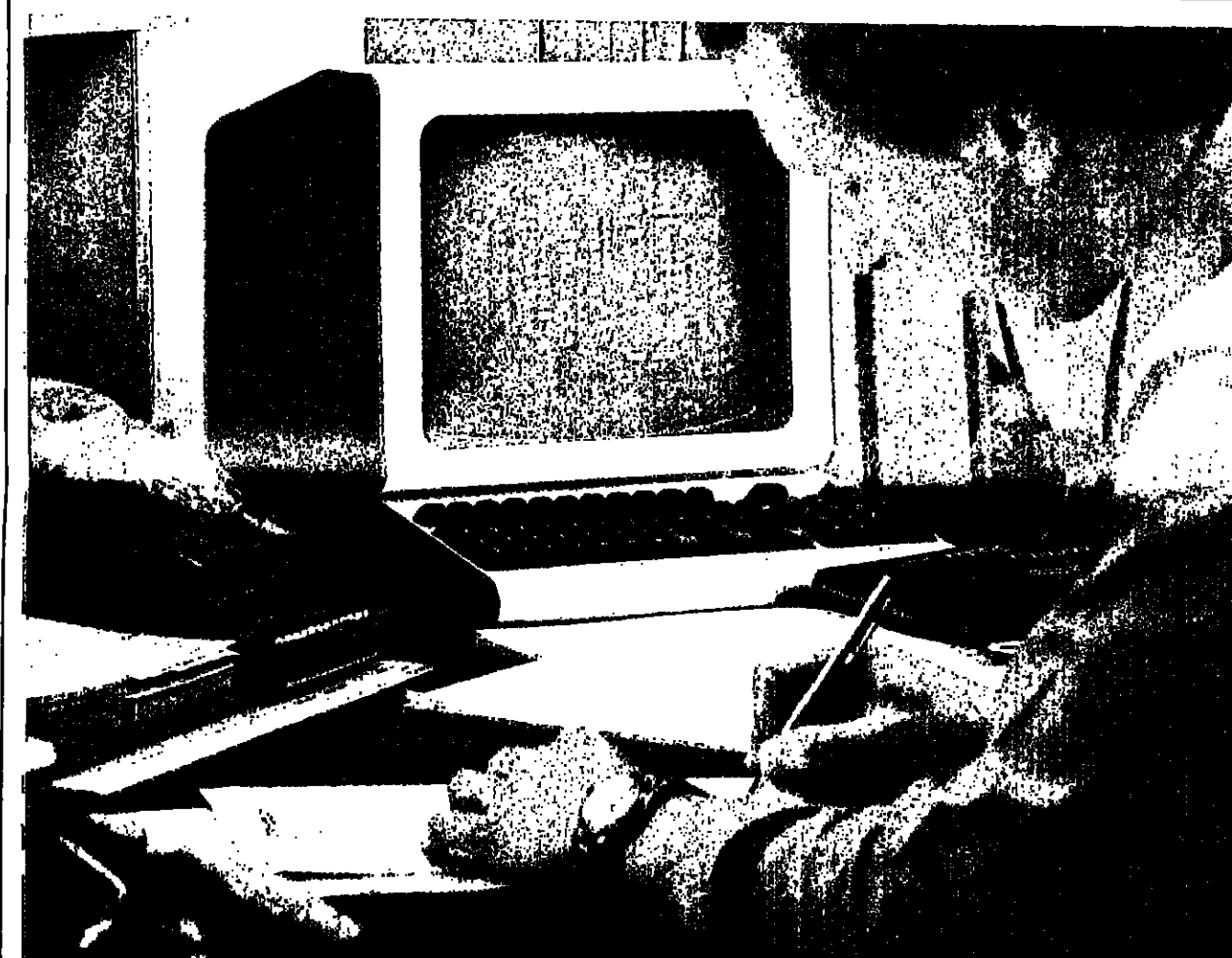
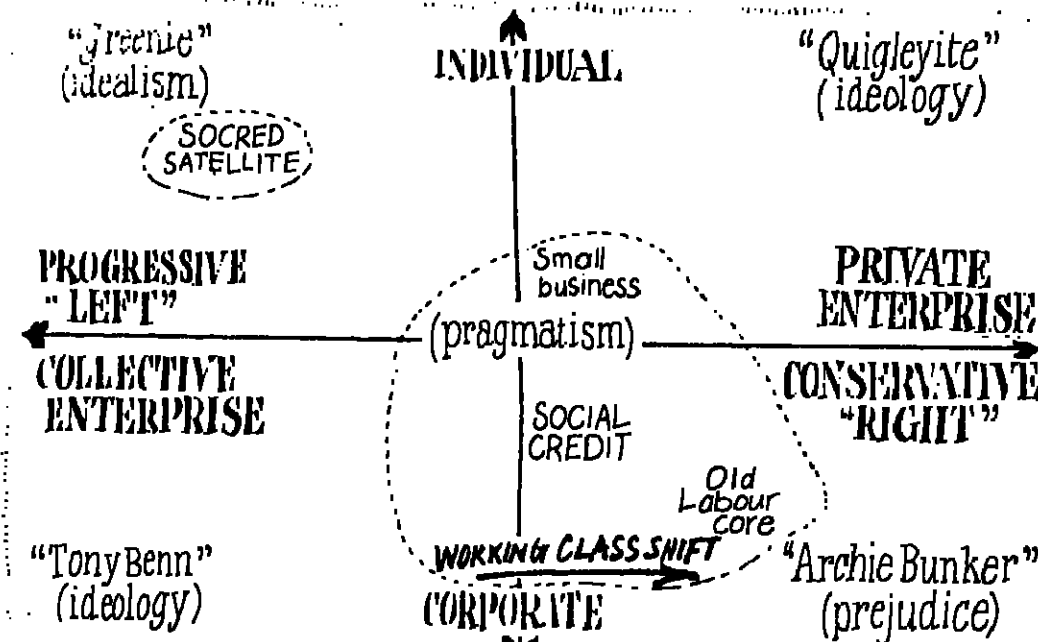
Labour, much altered, would probably survive, based in the top left quadrant — and it would be Social Credit and Muldoon fighting it out on the bottom right of the line.

Old, established National and new, thrusting National — the Quigleyite alliance — would be left straddling the new line, perhaps to form a new party.

While Muldoon is present and winning, this redrawing cannot be discounted — and it could, paradoxically, result eventually in a strong, middle-of-the-road Schmidt or Wrang-type of Labour Party as it thrust outwards from its secure top left base.

More likely, the pencil lines will eventually be erased and we can get back to the politics we can all recognise between a Labour-type party or coalition and a National-type party or coalition.

Saturday may give us a clue. Underneath all the hoo-ha about who wins what, there will be a deeper, equally exciting indicator of change.



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Economics

Paying the costs of keeping political power

by Warren Berryman

POLITICIANS would have us believe they can lead us in a war against inflation. They cannot and will not. Claims to the contrary are mere economic claptrap or electioneering camouflage.

The war against inflation must be waged by the people against their government, because inflation is caused by government and only by government. No one benefits from inflation more than government itself.

Cutting through the political cant, there are fundamental reasons why this is so — and will continue to be so until the public rises up and wrenches the political hand from the money supply crank handle:

- Politicians don't buy more votes by promising less. Inflation in this country is directly linked with election bribery. Regular as clockwork, the money supply increases before every election and decreases in post-election years. Every election year the rate of increase in income tax decreases to be increased with a vengeance in post-election years.

- As the price of gaining and retaining political power increases, the value of our currency decreases.

- OPEC oil prices are not inflationary, nor are unionists' demands for wage increases, despite politicians' claims to the contrary. These increases in the cost of economic activity cause price increases for specific commodities. But they also shrink demand for them, resulting in slower growth and higher unemployment. When this happens politicians, fearing lost votes, defy elementary laws of arithmetic and create more money to put things right and win elections.

- The price level for goods and services is determined by the relation of money available to goods and services available. If government creates cheap money to cover an increase in costs, then these goods and services will become even more expensive. That is inflation — and nothing else.

Accepting that this is so, one might ask why government has increased the money supply in this election year, running up a \$2,250 million external deficit, when we have a 0.8 per cent negative growth in goods and services available?

It's too simple, perhaps, to blame Prime Minister Rob Muldoon. Muldoon is a politician, and a brilliant one by all accounts.

Would any astute politician have acted otherwise? If not, are we not fighting the wrong war against inflation, directing our ire at Arabs and unions rather than at the real villains — the politicians?

Inflation is the thief that robs us all — even the present politicians who cause it, when the value of their pension cheques is left in the hands of their political replacements.

Asking politicians to lead us out of the inflationary thick is asking them to act against their instincts and interests — it's like asking a wolf to guard the sheep.

There is nothing new in all this. But government's methods have changed since the Weimar Republic, in the era of totalitarianism, which churned out new Deutsche Marks by the barrel-load.

More accurately called currency debasement, inflation has its origins with crooked kings who, having emptied the treasury on some wild

adventure or other, stamped out thinner coins of the realm and clipped off and pocketed the edges.

When kings got caught out at that lark they started alloying the gold with base metal. But the public eventually got wise to that ruse by biting every coin before accepting it.

The modern political charlatan has it easy. The poor benighted public doesn't have a gold coin to bite mistrustfully. And what with academics going on about M1, 2 and 3, velocity, and credit, the public can be excused for forgetting that money is supposed to represent something of value.

Instead we put our trust in paper-flat currency, and associated bits of dubious issue from Government printing presses such as Treasury Bills, Reserve Bank cheques, and Government stock, without questioning what real value these bits of paper actually represent.

All of this makes it a whole lot easier for politicians to buy our votes with election bribes and pay us off with debased currency.

Politicians can't lose with inflation — they can promise a dollar when it's worth a dollar pre-election, in the certainty that, with a 20 per cent inflation rate, that promise can be paid post-election with a dollar worth only 80 cents.

By that time the following year fiscal drag will have drawn us all into higher tax brackets, swelling government's coffers, without improving our buying power one jot.

Inflation makes it possible for politicians to surreptitiously increase their power like a cat burglar in the night. New Zealand's income tax take has increased about 10-fold in the past decade without any politically embarrassing increases in the tax rate.

How? By inflation and furtive fiscal drag.

This makes it possible for our government to spend just under half the Gross Domestic Product and employ about a third of the workforce.

Did we have a Marxist revolution to bring about this centrally owned and controlled economy? No, just inflation. But we are nevertheless headed for that socialist utopia where everyone tries to live at the expense of everyone else.

Politicians would have us believe inflation is caused by greedy businessmen and unions. But no one in the private sector has increased prices to the degree that Government-owned Air New Zealand, Railways, the Post Office, and the Electricity Department have. Even the oil sheikhs would be hard pushed to top our government's record for price gouging.

Our politicians do make a show of controlling the money supply with credit squeezes and government stock issues and so on, most of which merely transfer wealth from the productive private sector for the use of the politicians and bureaucrats who make and grow nothing.

When a productive worker gets an extra dollar, demand goes up with that increased spending power. But there is a good chance that the supply of goods and services will rise to meet this demand when the worker earns the extra dollar. Thus, no inflation.

When a politician or bureaucrat gets an extra dollar, demand goes up without any chance of a corresponding increase in supply of goods and services, because their activity is parasitic, not productive. Government stock issues take money from consumers (deflationary) but also from producers (inflationary).

To curb inflation, politicians must be restrained from increasing the money supply at a faster rate than the rate at which the pool of goods and services is growing.

President Ronald Reagan's advisers suggest a return to the gold standard. Government, they say, must retain a certain amount of gold in the Treasury for every paper dollar in circulation and, to ensure trust in those paper dollars, the citizen retains the right to cash the paper dollars in for gold.

Given the force of an "economic constitution" there is no way politicians could fiddle the monetary books with a gold standard. At the first whiff of political skulduggery or Micawberian vote buying, the citizen just says "I don't trust Government any more, cash up my paper dollars for gold," — which is why demagogues the world over bar their citizens from owning gold.

The gold standard also prevents inflation. Charting out the reciprocal of the wholesale price index in the United States from 1800 to 1933, when America abandoned the gold standard for Roosevelt socialism, will show that the dollar held its value for more than 100 years.

During this period the dollar only dipped in

value during the war of 1812, the Civil War, and World War I. After each dip it returned to par or above par.

When American went off the gold standard the dollar began its steady decline the same is true of Britain.

Many will argue against the gold standard, saying it's an obsolete system which could tie our economies to Russian and South African gold supplies.

Perhaps so. There is nothing magic about gold. It is just a handy base because it is ubiquitously valued and has a long history as a medium of exchange.

Gold also represents a certain amount of labour at a certain level of technology to mine it — thus it relates in value to other goods and services.

One could base a currency just as easily on oil, or even on wool or on the nation's GDP.

The point is that paper money must be based on something of real value not on unchecked political exigencies. Otherwise, sure as the sun rises tomorrow morning, some politician will be pilfering your life savings with the stealth and morality of that feline felon.



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Analysing annual accounts: DIC Ltd

by Klaus Sorensen

DIRECTORS of a company that has just reported a big loss will often privately explain that it wasn't really as bad as it seemed.

The usual explanation is along the lines of "well, we knew we were going to have a bad result, so we took the opportunity to write down our stocks and discount some product. Now I'll bet you we have the cleanest inventories in town."

It's a widely used theory and does not just apply to stock valuations. There are a number of accounting treatments which can vary the end result, relating to seasonal and cyclical movements in business.

But the investor needs to know the details of these procedures, their effect, and theory, to be able to assess that off-repeated phrase, the "quality" of earnings.

The latest DIC Ltd annual report presents an interesting example of accounting treatments and how the usual conventions can be altered to suit circumstances.

And in the DIC's case, its particular approach should raise a number of eyebrows — at least among those who pore over balance sheets and accounting notes and claim to understand them.

Those who don't, which probably applies to many of the DIC's shareholders, will likely remain blissfully unaware of a significant decision taken by the company.

The DIC has treated one month's trading during its extended 13 month "year" to

August 31, 1981, as an extraordinary item.

The fact that the month of August 1980 produced a loss of \$546,269, helps to explain why the DIC directors weren't anxious to have the result included in the trading profit.

The fact that the trading profit was well down, anyway, would be an added incentive to placing the August 1980 result below the line.

The justification for calling the August 1980 month an extraordinary item is simple enough — the change of balance date resulted in two August months in the financial year — bad news because August is traditionally a tough month for retailers.

But the fact is that most public companies take the effects of balance date changes on the chin.

So shareholders could question their directors' decision to select certain months of the year for treatment as extraordinary items, simply because the balance date change would have meant the inclusion of two bad months.

Certainly the treatment does give a more meaningful set of figures for shareholders to compare, and balance date changes are an extraordinary occurrence.

But the point is the decision to exclude the \$546,259 loss for August 1980 has made a major difference to the reported trading profit — yet there is virtually no reference in the chairman's report to this factor.

Shareholders are left to speculate whether the directors haven't been a little "selective" in determining an accounting

policy which shows the trading profit in a more acceptable light.

They might also ponder the auditors' view that the accounts give a "true and fair view."

As well, chairman Peter Fels attributes the extraordinary items mainly to the Wellington store strengthening programme — when the notes clearly show the August 1980 result was a major component of the extraordinary items.

The profit and loss account for the 13 months ended August 31, 1981 gives figures for only 12 months, with a reference to note 3 of the accounts for the treatment of August 1980.

So sales were up from \$43.4 million to \$48.6 million — an 11.8 per cent rise — and gross profits were up 11.9 per cent, from \$15.2 million to \$17 million.

But expenses were up 17 per cent, from \$13.9 million to \$16.3 million — and that was enough to knock the net profit (no tax was payable) back 42 per cent from \$1.4 million to \$796,000.

Extraordinary items were up from a contribution of \$241,000 in 1980 to a loss of \$1,296,000, leaving a loss of \$496,000 compared with a profit of \$1.6 million in 1980, to be deducted from retained profits brought forward.

But the note 3, referred to by the P & L account, shows a different picture with sales for the 13 months (compared with 12 months for 1980) and the breakdown of the August 1980 trading result shown under the extraordinary item note.

Total sales for the 13 months to August 31, 1981 rose 18.5 per cent, from \$43.4 million to \$51.5 million, with the result-

ing gross trading profit climbing 14.1 per cent, from \$15.7 million to \$17.9 million.

Unfortunately expenses such as advertising, salaries and insurance rose 27.8 per cent, from \$11.8 million to \$15.1 million.

Smaller items of expense increased faster than gross profit.

The extraordinary items consisted of cost associated with the Wellington project of \$384,000 (for stock write-downs) and \$566,000 (for additional payroll and other costs), plus the result for the August 1980 month of a loss of \$546,269, and redundancy payments of \$18,728, less a depreciation recovery on the revaluation of properties of \$221,704, which reduced total extraordinary items to \$1.3 million.

The company explains it has received IRD approval for tax deduction purposes for "the costs associated with the strengthening of the Wellington building to comply with local by-laws."

The note continues, "For accounting purposes this expenditure has been capitalised and is depreciated over the life of the building. At August 31, 1981 the expenditure on this project amounted to \$2,869,750. None of this amount was claimed against this year's result (1980 \$696,445) and a balance of \$2,173,305 is available as a deduction in future years."

The company has established a wholly owned subsidiary, DIC Properties Ltd, which has given rise to an intergroup profit reserve of \$4.5 million in the books of the parent company. The company says it has received IRD approval for tax-free distributions from this reserve.

If you were asked... to provide a financial report for tomorrow's meeting would you

A. Panic?

B. Try and postpone
the meeting for
at least a week?

C. Smile confidently?

ENERGY ADVISORY COMMITTEE

CALL FOR SUBMISSIONS

The above Committee is now calling for submissions on "The 1981 Energy Plan", "Energy Planning '81 — An Introduction to the 1981 Energy Plan", and other supporting documents to the 1981 Energy Plan.

These documents discuss the advice of the Ministry of Energy to the Minister of Energy as to the plans and policies for energy development and use over the next 20 years. They are available from either the Government Printer, or the Ministry of Energy, Private Bag, Wellington.

Submissions are required by 31 December 1981. The Energy Advisory Committee is a public committee established to represent the general public and those organisations not directly consulted in the energy planning process. Its essential tasks are to examine and advise on the current process of forecasting and planning energy supply and demand; to assess the social, environmental, economic and technical implications of current energy planning; and to collect public opinion relevant to New Zealand's energy planning.

It provides input into the planning process by reviewing the current energy plan and suggesting where changes should occur for the next energy plan. In order to fully represent the general public, it relies on as much input in the form of submissions and letters as possible.

Please send submissions to:

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Energy Advisory Committee
Ministry of Energy
Private Bag
WELLINGTON

The Energy Advisory Committee would also like to announce that they will be holding a public seminar to discuss energy planning at Victoria University, Wellington, on 4 December 1981 to which all are invited. There will be a cover charge of \$5.00. Please write to the Advisory Officer at the above address for further details or at phone 727-044 ext. 583.

When being 'inside' is beyond the bounds

by Klaus Sorensen

THAT reputedly health-giving spring — the sharemarket — has sprung a few rather unhealthy leaks.

These leaks are enabling privileged people to use confidential information to buy shares in advance of a market bid.

Not that that is anything new — it's a fact of any market that some insider trading is inevitable — but the most important thing is that a large number of people seem to be blatantly using inside information to make a quick trading buck.

And the eventual upshot will be that the market, which has always prided itself on its self-regulatory abilities, will suddenly find itself with a major external inquiry on its hands resulting in tough legislation to

control what is perceived by those outside the market to be an irresponsible and damaging state of affairs.

New Zealanders don't seem to realise they have one of the least regulated sharemarkets in the world — and now some are abusing and jeopardising the trust the authorities have placed in that same market to keep its house in order.

The upsurge in takeover activity in the last year or two has led to a major secondary industry — rumour-mongering.

It's quite understandable that some share prices should shoot up following a buzz in the market about a takeover. But in recent weeks this phenomenon has progressed a step further.

A share price rises following a relatively restricted and discreet bout of "talk" and then, lo and behold, a bid is launched.

It is getting to the stage that the Stock Exchange Association and the Securities Commission will have to start looking much more closely at sudden unexplained rises in some share prices.

And these groups will have to be prepared to ask tough questions, and back them up with equally tough sanctions.

In Featherston Street last week there was little surprise when the Myers bid was launched for Lion, because in the preceding few days the "word" had gone round and the "insiders" were "in the know".

But this is where the fine line between informed trading and insider trading must be drawn.

People who are told third or fourth hand of a rumour that someone is going to launch a bid for a company's shares, and

then act on that suggestion, can't really be castigated as insider traders — they are more likely acting on a rumour than a fact.

But people who are personally or professionally associated with a concern which is involved in this sort of market activity, and who act on the information, are guilty of something much more serious, and certainly more offensive.

That's what the watchdogs should be looking at where people use their professional confidences for their own financial gain, and even that of others.

They are the inside traders. I am aware of a person who has had a startlingly successful run in the sharemarket this year — because he has some excellent advisers, is himself quite acute, and has received the "bully" on a number of oc-

casions from a number of sources.

He was able to buy into Bing Harris shortly before Brierley upped its stake. Shortly afterwards he received the word on the MSI bids (by Repco and H W Smith) from a different source and was able to turn in another windfall profit.

And just lately he has been in the right place at the right time with both the bid by Goodman for Wattie shares and the Myers bid for Lion.

In the two latter cases, he was able to make a profit on his purchases in a matter of days.

Though his information has come from a number of sources, he has been able to take advantage of confidential information on several occasions for his own financial gain — and to that extent he is an inside trader.

And his "crime" has been made all the worse for the fact that he has deprived other shareholders of taking advantage of the bids because in both cases he knew to expect something and so was quick to act.

Those bids were fulfilled before most ordinary shareholders had got to the phone.

But the real villains are the people who were given the original information in confidence, but chose to relay it to unconnected parties.

Their crime may not be that they used the information for their pecuniary advantage, provided they didn't buy shares themselves, but that they used the information for the "pecuniary disadvantage" of others — the people who didn't know about the bid, and missed out on the offer because all the "wide-boys" got in first.

It seems entirely unfair that some shareholders of Wattie and Lion have been unable to take advantage of the premium being offered, because their speculative fellow shareholders — who have in some cases been holders for only a matter of weeks or even days — are in a position to move more quickly.

And this insider trading isn't confined just to our "friend" — there seems to be a general lack of responsibility with professional confidences.

I was approached in the street two days before the Wattie-Goodman share deals by a person associated with one of the groups (not a broker) and told there would be some action on the Wattie front.

It obviously hadn't occurred to this informant that he was guilty of passing on price-sensitive information gained by someone in a position of trust — he believed he was simply doing a mate a favour!

So at times it isn't even a conscious trading of information — just careless people chattering away and swapping tips

without thinking about the responsibilities that weigh on them.

Many people might, not un-naturally, point the finger at the sharebrokers themselves.

How else, might you ask, can some of the top firms pay their partners six-figure sums so they can afford to buy \$200,000 houses and invest in tax-haven farms?

But be that as it may, most brokers appear pretty conscious of their responsibilities at least to the extent of not tipping forthcoming bids to friends and clients.

One told NBR last week: "In my experience most of the insider trading is done by the guys in the merchant banks and also by the middle executives in a company, rather than the key people."

According to another: "I'd go a step further and say that I think the worst offenders are the guys who work in banks — the people who see a major financing deal pass through for a person or company who normally never requires that sort of money . . . Oh, and the solicitors are pretty bad too."

A third broker told NBR he had been appalled by the number of solicitors and people in similar positions who would call him with an order for shares "because they're going to announce such-and-such on Friday."

The Lion share price and turnover figures in recent months provide evidence of a sudden surge of buying interest the week before the bid was announced.

The share price rose from 160 to 175 in the space of that week on a turnover of over 400,000 shares.

Lion turnover in recent weeks has averaged between 50,000 and 80,000 shares with the odd exception — such as the turnover of nearly 400,000 shares in the week ending November 6.

The Wattie share price and turnover has been relatively buoyant ever since the first coming-together between the Hastings company and the Goodman Group.

But, nevertheless, the share price rose from around 180c in early October to 210c by November 4 when the bid was announced, and the share turnover in the three weeks before the bid varied from 50,000 to 90,000 shares a week, compared with turnover a month or two ago which seemed to range between 18,000 and 40,000 shares.

It seems indisputable that there were a number of people who became aware of an impending bid in both cases, and bought in, and equally indisputable that only stiff penalties and more regulations will deter insider trading.

Facom strikes double

by Stephen Bell

A double triumph for Japanese-owned computer manufacturer Facom has landed it a major order from the Government and — potentially — from part of the country's largest commercial conglomerate.

A Facom M160 processor is the surprise choice as the basis of the National Library's bibliographic network, which will in time extend its tentacles into libraries nationwide.

Meanwhile, Challenge Com-

puters is nearing the end of its decision on upgrading its computer network — and it looks as if the Japanese have won again.

The company has made initial comments to its staff which indicate a preference for Facom equipment rather than continuing with present incumbent Burroughs.

The computer specialists in Challenge have essentially made their decision, but the final word lies with the Fletcher Challenge board.

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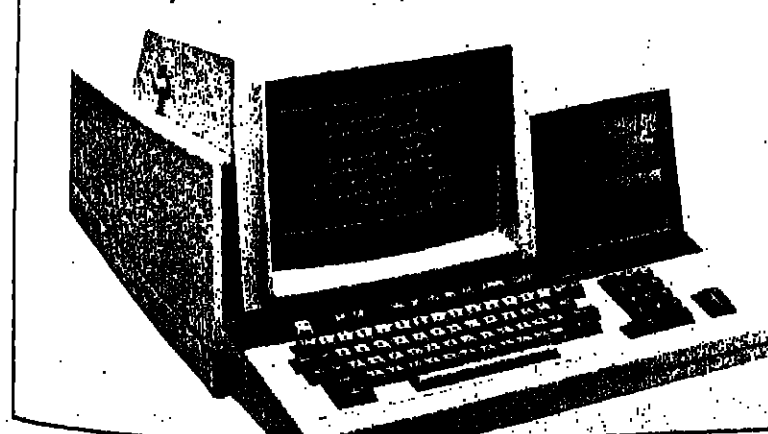
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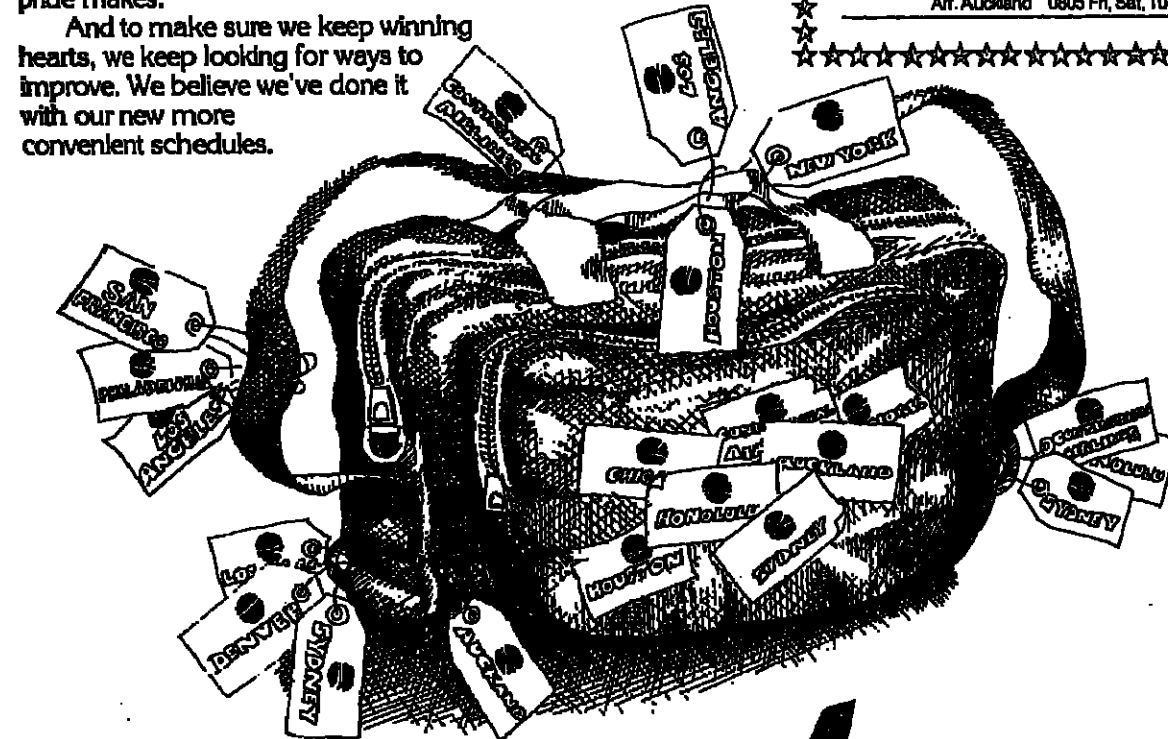
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	Arr. Sydney	1035 Tue, Fri, 1110 Sat	
Flight CO 2	Dep. Sydney	1450 Tue, Fri, Sat	
	Arr. Auckland	1838 Tue, Fri, Sat	
Auckland/Honolulu/L.A./Honolulu/Auckland			
Flight CO 2	Dep. Auckland	2100 Tue, Fri, Sat	
	Arr. Honolulu	0615 Tue, Fri, Sat	
	Arr. L.A.	1508 Tue, Fri, Sat	
Flight CO 1	Dep. L.A.	1830 Wed, Thur, Sun	
	Dep. Honolulu	0030 Thur, Fri, Mon	
	Arr. Auckland	0835 Fri, Sat, Tue	



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Finance

Myers coup: a three-day month of Sundays

by Allan Parker

DOUG Myers, business colleagues and associates have long insisted, is nobody's fool.

Yet even they must have been dazzled by the coup the heir to a family liquor business fortune pulled off last week.

In just three days, he:

● Became a major shareholder in the country's largest brewery and hotel chain;

● Gained an indirect interest, through his new Lion shareholding, in such industry notables as Ballins Industries, Leopard Brewery, McWilliams Industries and Penfolds NZ Ltd; and

● Saw his dreams of a spirits-based liquor export industry move a step nearer reality.

By the end of the week, one close acquaintance commented wearily: "It hasn't so much been a week, it feels more like a month of Sundays."

Yet the \$27 million share-buying spree in Lion Breweries was accomplished with ease and, at first glance, without rancour.

While some industry insiders feel the strong personalities of both Myers and Lion chairman Sir Ralph Thompson may produce some friction, Myers's arrival in the Murphy Street, Wellington boardroom will be achieved smoothly.

They believe his sharp business sense, intimate knowledge of the liquor industry, and family links with Lion (father Sir Kenneth Myers retired from the board only last year) will make him a long-term investor interested in the company's prosperity.

Indeed, the Lion board did not view Myers's activity last week with surprise — a bid of some sort was expected following the sale of Campbell and Ehrenfried's interest in New Zealand Wines and Spirits, the company owned jointly by the two organisations (see Page 1).

Myers's financing of the \$27 million purchase was not known last week.

NBR was able to confirm that he sold major interests in Hauraki Enterprises Ltd, the Auckland operator of former pirate broadcaster Radio Hauraki, and Montana Wines Ltd.

The Hauraki shareholding was substantial. Myers personally owned 322,500 Hauraki shares and the family company, C & E, another 60,000. Myers's 8.3 per cent holding was Hauraki's third largest and, combined with the C & E shares, it became the second largest.

Yet the Hauraki shareholding was purely an investment for Myers. He is a long-time friend of Hauraki director Charles Bidwell and he did not have a seat on the board himself.

The Montana Wines investment was bigger. Campbell and Ehrenfried owned 590,063 shares and Myers held another 243,529 in association with his father.

Myers was on the board of Montana and has, in fact, retained that seat. Potential conflicts of interest with Lion Breweries holdings in other wine companies may force his resignation.

Even at year-high prices, the sale of all those shares would

have realised only \$2 million — less than 10 per cent of the \$27 million spent on buying the 19.9 per cent stake in Lion Breweries.

Some speculation suggested that Myers was able to use the up-coming proceeds from the New Zealand Wines and Spirits deal with Lion to secure bridging finance. This was not denied by sources close to Myers.

If so, Myers has, in effect, used Lion money to finance his buying bonanza in the company.

Lion can hardly complain, however. C & E has held the management contract for NZ Wines and Spirits since its formation.

The original \$2 million Lion investment has risen to a value of about \$20 million thanks to that arrangement.

Myers was at pains to conclude the Lion share purchasing without creating ill-will; he insisted he was acting on his own behalf and was merely making a long-term investment move into a company and industry which he both knew and felt comfortable with.

His aim appeared to have been successful by the end of last week.

Although directors did not become aware of the plan until 10am last Monday, when the announcement was made to the Stock Exchange that he was standing in the market, Myers strived to notify all of them.

Letters were delivered personally to all directors known to be in New Zealand, including chairman Sir Ralph Thompson in Christchurch.

Letters to directors overseas at the time were delivered to Lion head office in Wellington. And the Singapore investors who own some 20 per cent of Lion were teleaxed by the Wellington broking company handling the purchasing, Jarden and Co.

Neither Myers nor the Singaporeans appear to have a controlling interest, and there is no suggestion that the two have been acting in concert.

Yet, if at some future stage, the two parties decided to strengthen their relationship they would make a formidable pairing in the Lion boardroom.

Even then, company insiders do not regard that possibility as threatening. They say both are long-term investors with liquor industry prosperity their goal. Said one: "The Singaporeans are long-term investors. That's their nature, they don't sell."

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Stock Exchange weekly review

FOR WEEK FRIDAY NOVEMBER 13 TO THURSDAY NOVEMBER 19



	Last sale	Week's high	Week's low	Turnover		Last sale	Week's high	Week's low	Turnover		Last sale	Week's high	Week's low	Turnover
Alwork, 50c	70	70	65	2800	Hawkins, 50c	112	113	112	16800	Smiths C M	160	160	160	700
8% pr	125			0	6.5% pr	28			0	Stin Cross Hotel	190			4100
Alex G K N	172	172	170	5100	H B Farmers	250	250	247	4100	Stin Cross Mins, 20c	40	41	40	43100
Alcan, 50c	300	300	285	15400	H B Transport	175				S F M	295	295	282	6100
A H I	140	152	140	37800	Healing	205	205	206	100	Speeding, 50c	80	80	80	5400
Alliance, 50c	140	140	140	100	12% conv pr	205	205	205	1600	12% conv pr	85			0
12% conv pr	180	182	185	16800	H Pollard	290	290	290	400	Steel & Tube, 50c	138	139	135	25000
Allflex	360	360	358	3300	10% conv pr	380				Sudding	138			0
Allied Farmers	415				Henry Barry, 50c	208	208	205	4000	Taylor	150	150	150	2000
12% conv pr	215	215	215	3500	Holoproof	220	220	220	1700	12% conv pr	175			0
A M Biley, 50c	247				Hume Industries	180	180	180	4700	Telham	170	170	170	2300
Ampol Pet, 50c	135	135	130	19400	I 5-7.5% pt pr	60	60	60	600	12% conv pr	135			0
A Beaven	125	125	125	200	I C I (NZ)	210	210	195	2200	T J Edmonds	330	330	320	10850
1.6% conv pr	120	120	115	600	Ind Broadcasng	90	90	80	8600	Tolley	200	200	195	7100
18 con pref	155				Independent News	195	195	195	600	Tourist Corp of Fiji	40			0
Andas Group	140				Ind Chem, 50c	220	220	215	3000	Trans Ashburton, 50c	52			0
8.5% pr	390	375	26100	J Watkins-Dow, 50c	215	215	215	211	5000	TNL Group, 50c	130	130	116	51800
12% conv pr	375				J Hardy Impay	243	244	243	30300	10% conv pr	95	95	95	2400
ANZ Banking Group	70				James Smith, 50c	88	88	88	2700	12% conv pr	108	108	106	200
A Wright	275	275	275	500	14% conv pr	64			0	Trans (Mth Cant)	142			0
A 5-6% pr	60				12% conv pr	90	90	88	3700	13.5% conv pr	115			0
B 5-6% pr	275	275	275	500	J Burns	210				15% conv pr	118			0
A Barnett	65	65	65	8000	14% conv pr	225	225	225	100	U E B, 50c	123	126	120	100100
A Ellis	400				John Edmond	85	85	85	2400	6.5-7.5% pr	120			0
Ashby Bergh	380				J Webster, 50c	65	65	65	3200	12% conv pr	110	112	110	4200
A S Cables	85	85	75	97800	J Nathan	145				15% conv pr	98	68	67	25000
Atlas, 50c	72	72	72	3100	J Rattray	248	248	248	2500	Vacation, 50c	90	90	90	2700
10% conv pr	290	295	280	1000	12.5% conv pr	208	208	208	38300	12.5% conv pr	78			0
Auck Gas	285	285	260	12200	L W Rudin, 25c	105	105	100	400	Visionair	123	124	121	8500
10% conv pr	275	275	275	300	12% conv pr	140	140	140	400	Waitaki-NZR	238	238	234	38600
14% conv nts	185	185	180	1500	Lanes, 50c	162	155	152	3500	11.5% conv pr	200	200	197	1900
A C I	270				L D Nathan	230	230	228	18800	Waitaki & Hill	400			0
Aukoro Sanyo	335	335	335	2700	15.5% conv pr	227				Wetiro, 50c	223	223	216	36800
Balls, 50c	155	155	120	1055103	Leyland, 50c	155	155	155	1000	12.5% conv pr	120	120	116	9800
11% conv pr	140	140	113	728932	Lion, 50c	185	180	174	10972970	10% conv pr	195	195	195	3200
Bank NSW	515	538	515	8220	10% conv pr	208	208	172	2831591	12% conv pr	320	320	320	2500
Bankers	445				L & M Oil, 50c	175	172	155	1092100	5.75-7.5% pr	155	155	152	2700
Bank of NZ	412	412	410	3200	Lustered	32	32	32	7200	12% conv pr	140			0
B N Z Finance	95	95	94	103800	Maize Corp, 50c	220	220	220	500	Wilson & Horton	410	415	390	8900
Bridgeway Mining	413	420	400	31800	15% conv pr	120				Wilson Distillers	155			0
Brimley, 50c	105				Mair, 50c	208	205	200	2800	Wilson Noll	115	115	100	77400
18.75% spec pr	87	87	87	3300	11% conv pr	350				12% conv pr	135	150	135	3200
Bos, 50c	1000	1045	1000	2400	Mangawatu Fruit, 50c	110	110	110	3600	Whitings, 50c	87	91	81	45400
B P F, 200c	110				Mangawatu Radio	105	105	105	1600	12% conv pr	52	61	51	11500
Brother, 50c	150	250	235	11600	Manitaki	290				Wilson Noll	105	105	105	100
Burns, 50c	300	300	295	30300	Marae	185	190	185	7500	Wilson Noll	175	400	394	8700
10% conv pr	60				Mr Alpine, 50c	130				12% conv pr	175			0
C F M	155	355	350	800	Mr Kuchina	230								
12% conv pr	200				Mr Kuchina	230								
Cant Flour	400				11% conv pr	220								
Cant Timber	400				Mr Kuchina, 20c	62	65	62	22300					
12% conv pr	400				M O'Brien, 50c	88								
Capital Ruse, 25c	110	110	105	2100	12% conv pr	65	65	65	2500					
Capital Ruse, 50c	105	105	105	2100	15% conv pr	65								
Carbonic Ice	200	200	200	200	Mr Kuchina	230								
Center Hall	400	400	395	10500	Mr Kuchina	230								
CBS Finance, 50c	200	200	200	1200	Mr Kuchina	230								
CCL	200	200	200	2800	Mr Kuchina	230								
Cervico	200	200	200	27300	Mr Kuchina	230								
12% conv pr	100	100	100	600	Mr Kuchina	230								
18% conv pr	400	400	400	500	Mr Kuchina	230								
Cheney	200	200	200	500	Mr Kuchina	230								
Chen Gas	400				Mr Kuchina	230								
Ch Ch Press	400				Mr Kuchina	230								
City Realists, 10c	50	50	50	15300	Mr Kuchina	230								
12% conv pr	100	100	100	400	Mr Kuchina	230								
Coal & Energy	20	12	27	1120000	Mr Kuchina	230								
Collingwood, 50c	50				Mr Kuchina	230								
13% conv pr	50				Mr Kuchina	230								
Col Motor	200	210	210	200	Mr Kuchina	230								
Colver Watson	117	110	115	25600	Mr Kuchina	230								
Comico, 50c	200	200	200	400	Mr Kuchina	230								
Comman	200	210	205	1900	Mr Kuchina	230								
Con Metal, 50c	100				Mr Kuchina	230								
conv pr	200				Mr Kuchina	230								
Con Minerals, 4c	100	10	15	30500	Mr Kuchina	230								
Cook Wine	112	112	110	9700	Mr Kuchina	230								
Cork Wright	180				Mr Kuchina	230								
12% conv pr	160	100	100	300	Mr Kuchina	230								
18.75% conv pr	145	145	145	400	Mr Kuchina	230								
Crown Consolidated	210	210	210	10400	Mr Kuchina	230								
11% conv pr	210				Mr Kuchina	230								
C S R	773				Mr Kuchina	230								
Cue Energy	18	18	18	32500	Mr Kuchina	230								
Options	9	9	7	63000	Mr Kuchina	230								
Osagey (NZ)	275	275	275	3300	Mr Kuchina	230								
Debell & King, 50c	52	55	52	2900	Mr Kuchina	230								
Deanes	170				Mr Kuchina	230								
DIC	180	180	180	5100	Mr Kuchina	230								
12% conv pr	160	160	160	200	Mr Kuchina	230								
Dringwell & Paulson	280	280	280	4700	Mr Kuchina	230								
D M J Wallace, 50c	110	112	110	3300	Mr Kuchina	230								
12% conv nts	75				Mr Kuchina	230								
11% nts '82	100				Mr Kuchina	230								
Don Brew, 50c	125	129	116	330700	Mr Kuchina	230								
5% pref	80				Mr Kuchina	230								
11% conv pr	82	82	75	8100	Mr Kuchina	230								
Donaghy's	185	185	185	6000	Mr Kuchina	230								
12% conv pr	195	195	195	100	Mr Kuchina	230								
D R G, 50c	100	100	100	200	Mr Kuchina	230								
Dunlop (NZ)	380	350	345	600	Mr Kuchina	230								
Ebbett					Mr Kuchina	230								
Ebo, 50c	155	132	132	1500	Mr Kuchina	230								
E Lichstein, 50c	255	280	255	1400	Mr Kuchina	230								
Empress Mines, 10c	178				Mr Kuchina	230								
Endeavour	180	180	175	5400	Mr Kuchina	230								
E Adams	238				Mr Kuchina	230								
Europe pref nt	92	92	92	500	Mr Kuchina	230								
F T C, 50c	136	137	135	24800	Mr Kuchina	230								
11% conv pr	110	110	108	3100	Mr Kuchina	230								
F Walmak, 50c	85	85	85	300	Mr Kuchina	230								
Felix, 50c	188	188	154	33400	Mr Kuchina	230								
8% pr	177				Mr Kuchina	230								
16% pr	178	178	178	2800	Mr Kuchina	230								
Freestone NZ	140	140	135	2100	Mr Kuchina	230								
Fraser & Paykel	348	350	345	78700	Mr Kuchina	230								
Fletcher-Challenge	219	220	212	149400	Mr Kuchina	230								
15% conv pr	100	100	100	200	Mr Kuchina	230								
18% conv pr	380	380	380	8900	Mr Kuchina	230								

Skybus takes on yet another new 'flight crew'

by Warren Berryman

SKYBUS — stalled for the 13th time as Immigration Minister Aussie Malcolm refused work permits for its British pilots — last Friday faced its new legal problems with new management after another board-room upheaval.

Chairman of the Aqua Avia Society, Sir Reg Barnewall, told *NBR* in an exclusive interview the Aqua Avia board consisted of himself as chairman, Whangarei engineer David Culham as vice chairman, Charlie Parsons as a director representing the Piako Aero Club, and Brian Shackleton as secretary-treasurer.

Skybus's former secretary-treasurer, director and general manager, Richard Lynch, resigned as did sales manager Jill Gerbie.

John Trolowe resigned from the Skybus board some weeks

ago saying he had lost faith in the board's ability to run an airline.

Barnewall said he would remain chairman at least until next year when he will suggest to Aqua Avia members that they find a local to fill the position. Barnewall said the position had cost him financially and personally.

Controversial outspoken ex-Navy commander Ian Bradley was appointed Aqua Avia general manager on a consultancy basis.

Airline captain, Mike Watts, the English pilot who flew Skybus Viscount here, has been appointed airline operations manager of the Piako Aero Club, the body charged with running Skybus domestic services.

ACMS Ltd, a consultancy company made up of ex-Polynesian Airlines staffers, hired

by Trolowe when he was acting as executive director of operations for Aqua Avia, shifted its allegiance to the Piako Aero Club some months back. ACMS has been involved in obtaining Ministry of Transport approval for Skybus Viscount to fly.

The Piako Aero Club's expenses including the money paid to ACMS are funded by Aqua Avia.

Barnewall said he was not willing to give Piako carte blanche on expenses and wanted ACMS's costly services dispensed with.

But ACMS managing director, Ken Gibson said he was still working for Piako.

There are six bodies involved in Skybus's domestic flights. British Air Ferries of the

United Kingdom owns the ageing 1948 Viscount. It is leased through British Air Ferries NZ

skyBUS YOUR NEW AIRLINE

Ltd to the Piako Aero Club and maintained by James Aviation. Skyserve Ltd are to provide the ground handling.

The whole operation is funded by money paid in to Aqua Avia as membership fees.

Skybus, formerly a division of Aqua Avia, now becomes a division of the Piako Aero Club.

Barnewall said Aqua Avia would no longer have a part in the domestic air services side, as that was now the Piako Aero Club's role. Aqua Avia will concentrate on the international travel market as tour consolidators, he said.

Barnewall said Aqua Avia's travel division had organised \$5 million worth of overseas

travel in the past two months. This was done through block bookings with Pan Am and Ansett airlines, he said.

As a tour consolidator, Aqua Avia differs little from discount travel organisations such as Link except that membership in Aqua Avia costs far more.

Keeping up with who's who in Skybus requires daily vigilance. Founding father, Matt Thompson, is now in England working with British Air Ferries, the firm from which he chartered the Viscount.

Aqua Avia's lawyer, Graham Jenkins, broke his ties with Skybus as he felt that his acting for British Air Ferries might be construed as a conflict of interest.

Aqua Avia's public relations account was first held by Faye Torrance. Then, with Matt Thompson's departure, by Derek Little, who was replaced by Jim Walton who was replaced after three weeks by John Harnett who quit after two days, to be replaced by Cedric Allen last week.

The Skybus concept also changed regularly. First the society was to own its own planes and go into direct competition with Air New Zealand.

Then there was talk of chartered planes from Guinness Peat, Evergreen, Polynesian Airlines and others for international flights, none of which eventuated.

Now, with 40,000 paid up members it's down to one chartered post-World War II viscount and an international operation that is little more than a tour consolidator.

Barnewall acknowledged that the original costs of selling memberships had been "scandalous". So were the society's expenses for flying directors about the world and putting them up in hotels with the members' money, but he said that was all before March this year.

So, what did Barnewall get out of it? According to Barnewall very little. His travel ex-

penses were due from the society, but with his airline contacts he travelled free (and showed us tickets to prove it). The society paid his hotel and food bills, and for a brief period paid \$100 per meeting as directors fees.

To attend each meeting, Barnewall said he had to spend three to five weeks in this country at a cost to his own Brisbane business of \$1000 a week.

"When I took over as chairman there was nothing left in the coffers and debt collectors were hammering at the door," Barnewall said.

To create a capital base the society had to increase membership, he said.

Barnewall would not say how much the society had in the kitty at present and denied ever saying the society had a \$1 million surplus (widely quoted in the press) when the society had 30,000 members some months ago.

Barnewall said his involvement with Skybus was thrust upon him and had cost him dearly.

He said his former business associate (in the International Group of Companies) Chrischurch lawyer John Rutherford co-founder of Skybus with Matt Thompson, approached him asking for his technical advice.

Later, Barnewall said, he received an urgent telegram asking him to attend a Skybus board meeting. When he met Rutherford and Innes Kelly (alias Whaka Keke) at the airport he learned he had been appointed chairman of the Aqua Avia board two months previously without his knowledge, Barnewall said.

Annoyed by this, Barnewall said his first reaction was not to take up the position. But after meeting Aqua Avia Society members, "who were influenced to join by use of my name" and learning that "my good name and reputation had been traded on spuriously to attract members," he had the option to either "hold" or "stay on to help these members".

"The members felt I was the only independent person that could help," he said. "So I decided to stay on."



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Overlooking talent

AD agencies are suffering from manpower shortages because they have largely ignored the flood of young talent emerging from Auckland Technical Institute and other educational establishments around the country.

As a result some extremely well trained young men and women are avoiding agencies and seeking employment in other areas of the advertising industry.

That is the opinion expressed by David Cowley who has recently set up a personnel consultancy in Auckland based around the needs of the advertising industry.

Over the last decade, Cowley has been associated with television in Britain and with private radio in New Zealand with responsibilities in sales, administration and staff training.

David S Cowley and Associates is described as a marketing and management consultancy. Using the placement of advertising agency personnel, particularly creative staff, as a central point, it is intended that the operation will then move to embrace media sales and marketing staff, publishing staff, public relations and, at the client end, product managers, sales managers and marketing managers.

"We have established a liaison with the Australian based Baker Consulting Group to enable staff to be placed in Australia or other parts of the world and to cater for the inward movement," Cowley told *NBR*.

The good news for business

THE latest tabloid to hit Auckland streets is called *Business to Business*.

Instead of pushing gloom and doom, the paper is based on a "very positive" attitude, says manager Frank Chang, who is aiming to show business people that "success is possible."

Pitched at small businesses, the giveaway paper is supported by advertising proceeds. A browse through the latest issue shows a marked tendency for advertisements to be accompanied by "editorial" items. But Chang, who writes most of the paper as well as selling the advertising, says he will only publish editorial matter if it comprises "useful material".

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Chang says he had two aims when he started the paper:

- To create a reasonably priced paper in which businesses could promote themselves;
- To fill a gap in the market which would be "approachable and positive" for the small business reader.

Chang says he wants to get away from the negative aspects of business like inflation, and show what small businesses can and are doing.

Chang says he has solved the "marketing problem of our circulation" by giving the paper away, and the strategy ensures that advertisers get full exposure.

He points out "a lot of our advertisers have never advertised before" and have correspondingly small budgets. Thus his advertising rates are low. Chang does not consider

himself to be in competition with other business publications. He considers them too specialised for his market. And he doesn't consider that the dailies cater for his market, although he admits they might like to see him out of business.

— Claudia Perkins

BPA growing media force

THE Business Press Association has doubled its membership in its first year of operation.

According to its newly elected national president, Reg Birchfield, there has been a boom internationally in the periodical publishing industry. Now, in New Zealand, a growing number of special interest

publications is attracting more advertising expenditure than the total spent with private radio stations.

Birchfield, managing director of Fourth Estate Holdings Ltd, said the Business Press Association is developing as a potent force in the media and now has a total of 40 members.

"The association is currently undertaking an industry research project," said Birchfield. "This will equip it for a major promotion of periodicals as both an important information source and as a rapidly growing and effective advertising avenue."

He described the business press as taking over where television, radio and, to some extent, newspapers which provide general coverage of events, leave off. Readers of periodicals rely on them for background

detail, providing a highly "targetable" audience.

"The BPA will now take its place alongside the other media groups involved in the printed word," said Birchfield, "and increasingly in the future will become involved in the electronic dissemination of information."

Officers elected to the executive of the Business Press Association include: Reg Birchfield, national president and Wellington branch president; Ray Hocking, Wellington branch vice-president; Alyson Mackey, national secretary and Wellington branch secretary; Brian High, national vice-president and Auckland branch president; John Sandford, Auckland vice-president; and Zena Lowther, Auckland branch secretary.

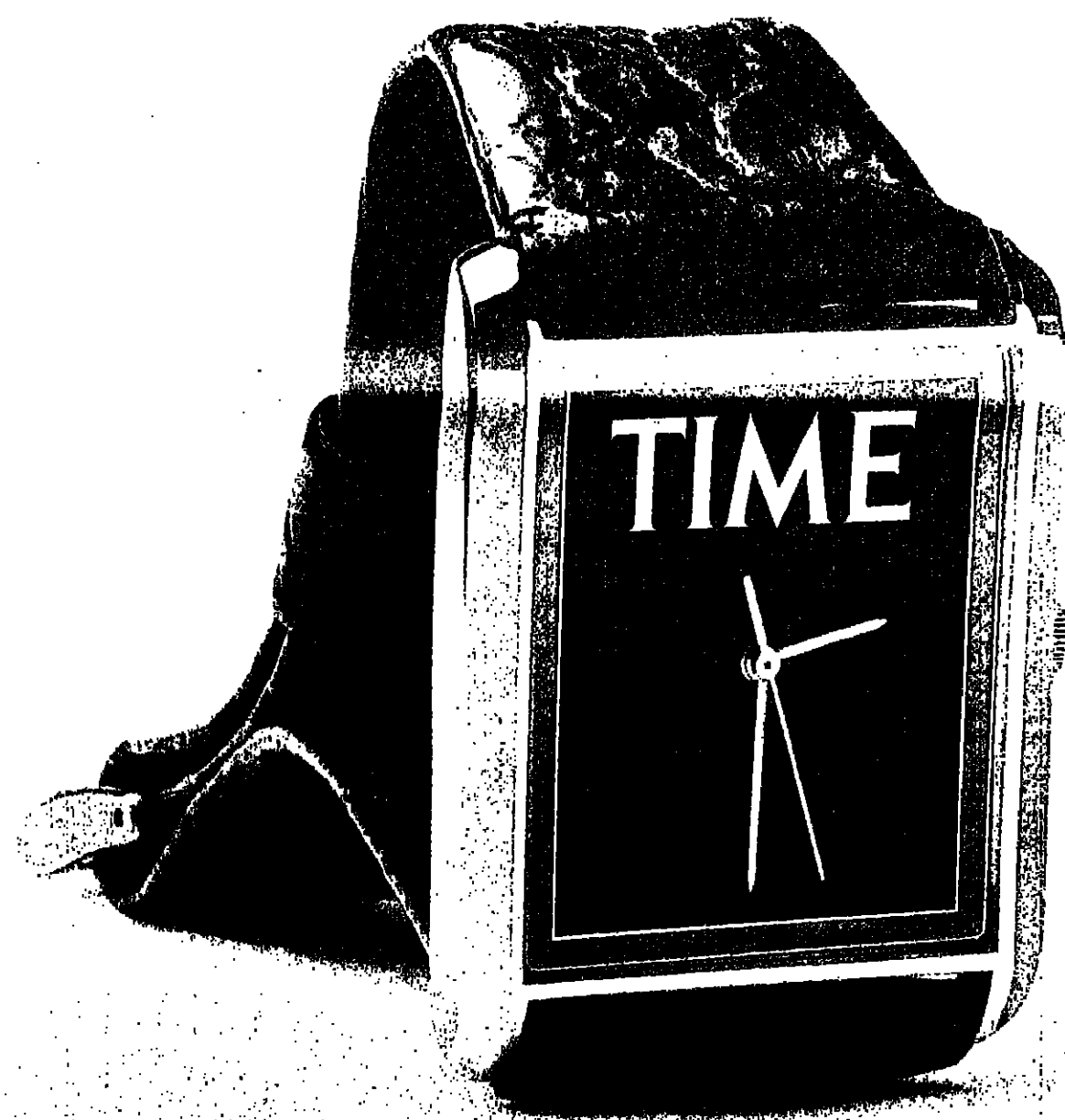
— Grev Wiggs

Fat sales for Trim Pork

NEW Zealand pork producers have done more to promote Trim Pork in six months than their Australian counterparts managed in five years even though the new cuts were originally developed by an Australian butcher, reports the pork industry newsletter.

The latest consumer survey covering 1000 housewives in Auckland, Wellington and Christchurch shows that 27 per cent of households had tried trim pork and nine out of ten families said they intended to keep the new cuts on the menu — a rewarding result for the 2000 pork producers who made a \$750,000 investment in promotion.

— Grev Wiggs



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If you thought that TIME was read only by American tourists and expatriates then you may be surprised to hear that only 2% of our Primary Readers are U.S. citizens.

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That's why TIME is the world's Number One weekly news magazine with the biggest local circulation.

Survey of Time New Zealand primary readers by Erdos and Morgan, Aug.-Oct., 1979.

Retailers as customers — they should be demanding

by Grev Wiggs

THOSE attending the recent SMEI annual convention heard a rare backroom presentation of the retailer as customer from Woolworth's director of variety stores, Ralph Parsons.

He gave his audience a graphic representation of the kind of inquiry a retail establishment makes before agreeing to stock and sell a new line.

Such a decision is conditioned by the fact that there is a limit to the value of stock a retailer can carry, a limit to the shelf space on which it can be displayed and a limit to the storage space in which stock can be held.

can entertain the idea of making a sale.

"The first question I ask myself," said Parsons, "is why should I invest my money in this product when I already have \$25 million worth of stock? What line do I withdraw to make room for it?"

He then outlined the information a firm of retailers must have before making a purchase decision.

What are the comparative advantages of this product? Obviously, it must have the potential to produce more volume than the line it displaces or to confer a price or other advantage to be worthy of consideration.

Is it a once-only line — or one with a continuing future? In either case, is it worth the considerable effort which we are going to be put to?

What is the lead time be-

tween order and delivery? Is it imported or locally made? Does it attract sales tax?

What is the packaging size? This is information needed by the computer which determines where it is positioned in the stock room.

What is the weight of the package? We pay carriage on a weight basis.

Does the package clearly identify the product? Many don't.

Are the containers chargeable? We need to know now as part of our costing.

Are deliveries made on pallets? Who owns them?

Does the product conform to all Government regulations for health and safety?

In the case of faulty merchandise what happens — what procedures are followed?

Does the package help sell the merchandise? How will it

fit on our shelves? Does the display material fit our standard sizes? Will the wholesaler contribute to our advertising of the product?

Now about the cost. Have you the authority to determine the cost? What are the cash settlement terms?

Tell us about your invoicing methods. There is a high degree of inaccuracy in invoicing, complicated by the fact that 6 per cent of all deliveries are inaccurate in some detail.

Parsons explained that this electorate inquiry was necessary because "we are in the production line business. Changes in technology are going to dictate the way we do business in the future," said Parsons.

But in any case, retailing will change and change quickly. Retailers face important decisions.

They have an option to be in the show business, with all the glitter of the circus, but still providing service. Or they can opt for the low cost way of doing business with competitive prices but no frills.

All the same, there is and will continue to be a place for the ego-intensive market where price takes a backseat.

How people reach a decision of where to buy, always providing the merchandise is of guaranteed quality, may well be decided by price. Most people fall within the middle standards of living.

People initially switched to supermarkets for price reasons

but later the reasons became convenience.

In future, there will be fewer operators. Growth of specialist chain operators will continue. The small boutique has a place. The store that has nothing but location will go.

So manufacturers must decide where to put their faith — to go for glamour, for the specialist.

Retailers will still continue to shoulder their responsibility as an agent for the consumer and not the manufacturer.

They must have a social conscience, taking due responsibility for the extent of guarantees of the merchandise they sell and such statutory requirements as correct weights and measures.

Challenge to marketing ideas

by Grev Wiggs

IN A provocative and, at times, highly diverting address to the SMEI convention, Otago professor of marketing, Dr Guenther Mueller-Heumann, dealt with the future of marketing as a profession.

On the way, Mueller-Heumann aimed a few quick jabs at some cherished marketing ideas.

"Many marketing practitioners and many of the marketing main stream scholars believe that marketing, defined as customer-orientation of the firm, is a valid concept," he said.

"However, the very basis this concept is built on is being challenged. Consumerism as an expression of practical criticism of marketing strategy and environmentalism has shown that there may be a discrepancy between the common belief that marketing is a vehicle always leading to consumer satisfaction and actually dissatisfied

consumers in marketing reality."

He went on to argue that if marketing did satisfy needs and wants, consumerism would and could not exist.

He suggested as possible explanations that marketing is used as window-dressing while activities are still production or sales orientated so that consumer-orientation would mean mere sales orientation or, alternatively, that the marketing concept is ill-founded because it is based on unrealistic assumptions.

The basic values or beliefs in marketing, Mueller-Heumann advances, are derived from puristic models of the marketplace not fully consistent with reality while its actual activities are adapted to the real imperfect world.

Most of our marketing

research activities focus on increasing our knowledge and awareness of the factors influencing buying or consumption decisions. There is hardly any post-purchase satisfaction research, the speaker stated.

"Only by defining and measuring consumer satisfaction can we obtain knowledge about the 'social performance' of marketing in an economy characterised by a consumer whose position is somewhere between sovereignty and manipulation."

"The future of professional marketing will largely depend on how serious we as marketers are about the very basis of our thinking."

"If the basic philosophy is not absolutely sound," Mueller-Heumann challenged his audience, "how can the profession be credible?"

ADVERTISING AGENCY WANTED

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The purchaser has a great deal therefore to inject into an agency's output and is confident that he can deliver the goods both to the existing agency's principal(s) and the agency's clients.

The purchaser has existing capital and wants to talk over any serious opportunity.

The only requirement at this stage is that the agency must be fully accredited with all media.

It may be possible that the agency is experiencing some difficulties in operating profitably or that the principals no longer wish to continue to meet the daily routine of running the business.

The purchaser would prefer to purchase all the shares of the agency, with the existing shareholders being retained on a salary and profit sharing basis that is agreeable to both parties, should they require it. Therefore, he envisages that the greatest likelihood of successful discussions lies with a smaller agency though he is keen to consider all sincere approaches.

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WELLINGTON

Advertising people

IN the most recent issue of *PRnews*, its official newsletter, the Public Relations Institute makes a strong protest against a recent decision taken by Wellington Newspapers Ltd to charge advertising rates for "People in Business" items.

The *Dominion* and *Evening Post* have struck a rate of \$10.80 a column centimetre for announcements of appointments, accompanied by photographs, on business pages.

In a letter to Wellington Newspapers, PRI president Michael Veale asks, "surely the question of deciding the editorial worth of an unsolicited contribution is one of the strengths of our free independent press and as such no assistance should be necessary in commercial terms?"

WNL replied that the new departure "has not removed from the editorial departments their right to publish appointments" and that it was a way of ensuring that "the editorial columns are not subject to acceptance releases which are more appropriate in the form of paid advertising."

The standing heading of "People in Business" also carries the notation "Adv."

— Grev Wiggs

Challenge network performance surprises the pros

Stephen Bell continues his review of some of the formal papers and less formal ideas which came up at the recent "trends in networking" conference at Wellington's Victoria University.

astonishing figure where you consider all those floods and building contractors out there."

The present set-up embraces at least three essentially separate networks, reaching throughout the country and covering functions from used-

car dealing to travel agency bookings. Main centres are Auckland and Wellington, with a smaller processor at Tauranga, deriving from the takeover of the Medical Data Processing bureau.

Post Office lines involved in the network have reached a total length of 8000km. With response times of the order of a minute being reported for transactions on some networks, Challenge, with continuous automatic monitoring and analysis of network performance, manages 84 per cent of transactions in less than five seconds and 73 per cent in under three seconds.

Analysis shows which programs are giving particularly poor response times and which

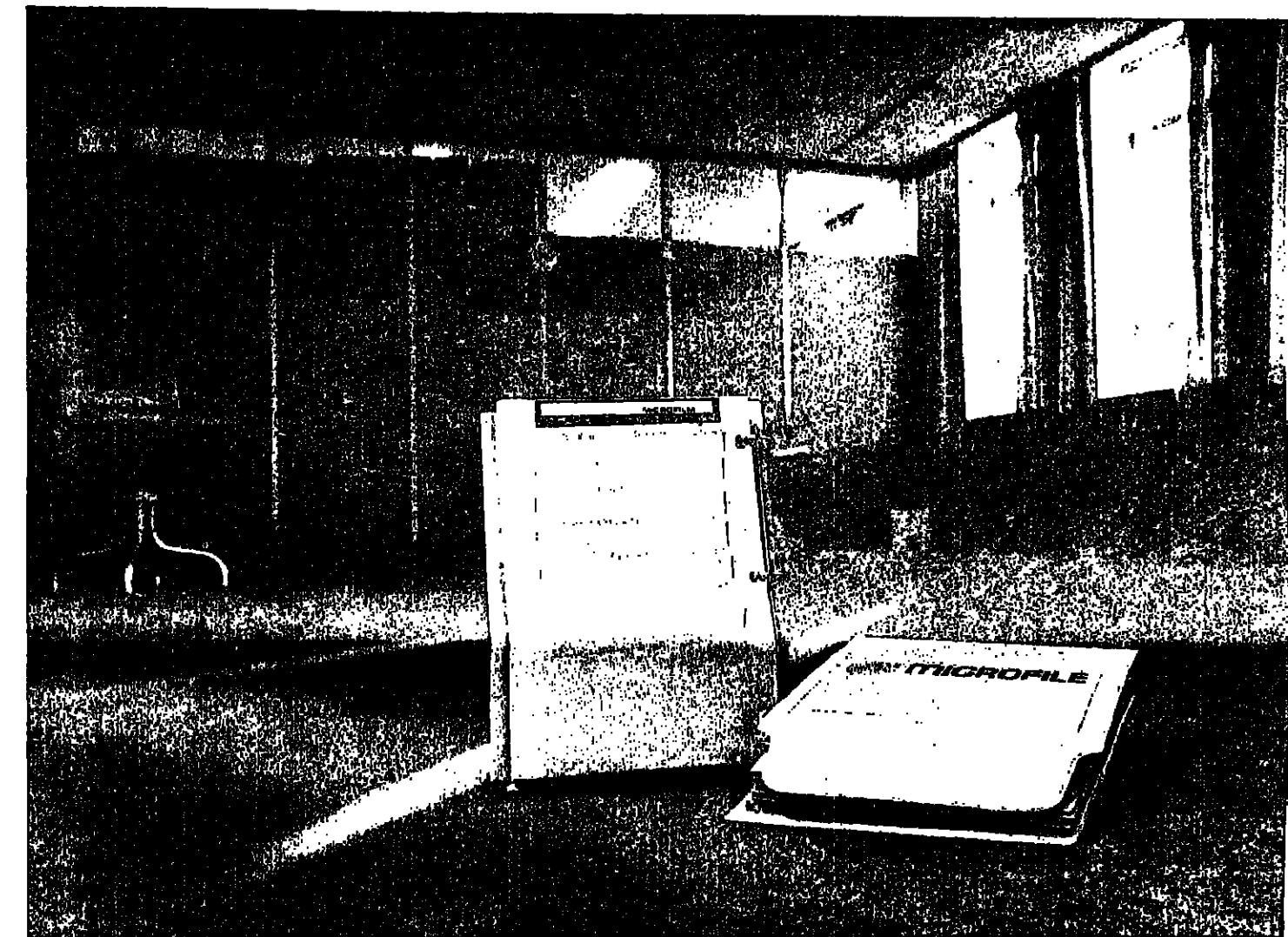
programs are being used most often; both classes would naturally benefit from "tuning" or other modification.

Experience of setting up a large network had taught some basic lessons, said Smith.

- Plan the network in as much detail as possible first;
- Get the permanent in-house services of a network specialist;
- Select the right network hardware, with careful attention to apparently minor

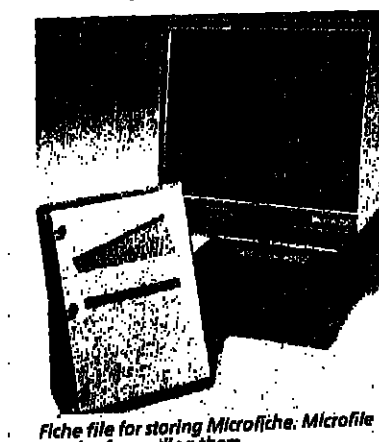
elements like modems and diagnostic aids;

- Look carefully at standards and compatibility, and don't assume that getting all your equipment from one supplier will solve this problem;
- Keep your resident hardware and software experts together, to allow cross-fertilisation of ideas;
- When a fault develops, don't immediately blame the Post Office, blame yourself first.



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NBR GNA 126

DATA PROCESSING

Post Office cautious, but moving ahead on teletex

THOSE looking for any real news in the account of "future Post Office data services" at the Victoria network seminar would have been gravely disappointed.

For the most part it was a trot along well-worn tracks — specified speed data lines,

dedicated data circuits, packet-switching, teletex (electronic mail) and, ultimately, videotex.

Teletex — a text communication service designed for the "automated office", is perhaps the development of which the business public have been made least aware.

It is planned to operate at 2400 bits per second — 48 times the speed of telex — initially, and, unlike telex, to use the full character repertoire of the office typewriter.

Incoming "mail" will be able to be stored, so as not to interrupt the local production of documents. Text formatting and word processing facilities will be provided on the standard Teletex terminal, and "more sophisticated" models will be provided in due course for large-scale storage and retrieval.

"The (New Zealand) Post Office is planning for introduction of teletex in New Zealand and has purchased terminals

for evaluation and service trial purposes," said NZPO spokesman Dave Richards.

But when are we going to get teletex locally? "It could be 12 to 18 months away," Richards told *NBR*, "but a lot depends on what's going on overseas." The Post Office, he said, sees teletex and the standards being developed for it as chiefly relevant to international communications.

Domestically, the "electronic

mail" capability is already handled well by communicating word processors, the rising datex (specialist data communications) service, and possibly by packet-switching.

The international communications standards body CCITT adopted recommendations last November defining the operational and technical specifications of a teletex service.

West Germany was first off the mark with a service in

March, and it is scheduled for introduction in Britain, France and other European countries next year.

Videotex (viewdata) was pointedly excluded from the discussion, though figuring on the diagram of "future Post Office services". This sums up the uncertain attitude to videotex, a subtle intrusion on the Post Office's established policy of not allowing its line users to communicate data on behalf of third parties.

Networking

Computer industry

NZ interest in Australian graphics

by Stephen Bell

AN Australian-designed graphics terminal and advanced computer-aided design package has already landed one local customer and expects more contracts soon.

Together with the Easinet design package, Aren Business Systems of Christchurch will distribute here a low-resolution inexpensive graphics terminal, which, it claims, will allow every designer to have a basic graphics facility on the desk,

rather than contending for the use of a single expensive terminal and plotter.

Both the Easinet package and the microprocessor-based MicroCAD-1 terminal are the product of Engineering and Scientific Computers, a subsidiary of Sydney consulting engineers Miller, Milson and Ferris.

They have already had marked success selling the package and terminal in Australia for in-house use, as well as offering

on-line CAD (Computer Aided Design) services from several bureaux. Aren systems is "seriously considering" setting up a CAD bureau here if business warrants it, says director Ray Newdick.

First user of the package and terminals is Hampton Studios, of Christchurch, an interior design consultancy. Hampton will be using Easinet on a multi-million dollar contract to fit out three large yachts in Australia, so the imported

package is already generating re-export business.

Further options being explored for Easinet take in some unexpected areas such as the freezing industry; this naturally has its engineering problems like any other mechanised operation, said an Aren spokesman.

The acronym CAD is now often linked with CAM (Computer Aided Manufacture). Easinet supplies a ready interface for programs to generate numerically controlled machine-tool tapes from the design, or to connect to more sophisticated CAM equipment.

Attention is naturally grabbed by the "sophisticated" capabilities of the Easinet package — to construct and present three-dimensional views of a building or structure, including animated walk-throughs, giving the architect and eventual user of the building a clear idea of what it will look like.

For some buildings, appearance is more than a mere aesthetic consideration.

Miller, Milson and Ferris acted as structural engineers for the proposed entertainment centre at the Sydney Haymarket, where it was critical that, from every seat in the auditorium, people should have a clear view of the multiple playing fields and stages in the complex.

An Easinet routine was able to test the sightline from every one of the auditorium's 12,000 seats, and reduce considerably the height of the building thought necessary from manual calculation.

Engineering analysis of structures by Easinet can predict how the structure itself and its underlying geology will react to the stresses imposed. Other components will estimate the materials used in the structure.

But some of the major elements of time saved, the company claims, can be credited to the "prosaic" features such as storage and retrieval of diagrams and modification of diagrams and text.

"Draftsmen spend a great deal of time co-ordinating drawings produced by others in the design team. Line drawing time is typically less than 50 per cent of their working time," says Aren.

All drawings in the Easinet system are referenced and stored in a common database, on which all program modules act.

Standard components of drawings, representing commonly used parts can be stored and retrieved independently.

The low-resolution terminal, priced around \$2000, allows a quick view and amendments to a drawing where accuracy of the view itself is not so important as immediate access.

The graphics information, stored in the central Data General Eclipse processor, is naturally high-resolution, and at least one high-resolution Tektronix terminal would be attached to each system, said Newdick.

The MicroCAD was designed by the Australian consultants themselves on the basis of an American microprocessor.

An entire Easinet system would cost around \$200,000 for hardware, software and six workstations, the cost of two draughtsmen, said Newdick.

Quirks in PO costs

A CURIOUS comparison of packet-switched and leased data line costs was put forward to the Victoria University network seminar during the talk on future Post Office data services.

The NZPO did not, of course, reveal its own planned tariff structure for packet-switched data communications, but instead set the recently announced charges for the Australian Auspac service against New Zealand leased line costs.

The cost comparison came out very finely balanced. At the high speed of 9600 bits a second, "the port access charge (the initial cost of a packet-switched connection) is so little less than the NZPO leased circuit charges that only a small volume of data transferred via the packet network would make the packet network connection an uneconomic proposition," said NZPO divisional engineer Brian Anderson.

He made no attempt to compare Australian packet charges with Australian leased line charges. Here, the saving would be substantial, particularly over long distances, since Auspac charges are independent of distance.

Instead, Anderson proceeded to "two possible conclusions: the access charge (for Auspac) is too high, or, by comparison, the NZPO leased circuit rates are too low."

The audience might be forgiven for suspecting a gentle hint in the second alternative, but the Post Office is not contemplating a rise in leased line charges in anticipation of packet-switching.

The advent of packet-switching, however, could see some variation of charges following as the Post Office attempts to adjust the balance of users on permanent leased lines, dial-up connections and packet-switched connections.

With limited capacity on the initial packet-switched network, it would be rather embarrassing to the Post Office if a large number of subscribers switched over to the new-style network, and this message was certainly conveyed in Anderson's address: look very carefully at cost comparisons before you decide to switch over.

This in turn, of course, implies that the tariff will be structured so as not to offer too big a saving to current users of conventional data communications.

With its ability to interleave different users' data on the same physical line, packet-switching clearly offers most benefit to subscribers using the link in "bursts".

Leased circuit users might thus be expected to derive most benefit, but overseas experience shows a higher proportion of dial-up users transferring. The Post Office here expects the proportion to be "about 50-50".



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ELECTION WATCH '81

Cabinetmaking: placing the likely cogs

by Colin James

HOW would you like Bill Birch for Minister of Finance? Or Bob Tizard back again — with young David Caygill?

The election won't be quite over on Saturday.

For some, even on the winning side, there will still be tension and suspense — wondering if they will get into the Cabinet and, if so, what portfolio they will get.

For a Government these are important decisions. On a Cabinet's performance, or more precisely the performance of the top half of it, hangs a Government's reputation.

This has been a powerful theme of National Party propaganda through the past 20 years of its 30-year span of power. "Man for man the better team!" the slogan shouted (unsuccessfully) in 1972. "Credibility" — "can they do it?" — is not far behind "growth" in this year's pitch.

The party in Government usually has an advantage in team comparison, because people in office assume the authority of the office and the administrative machine under them makes them look the part.

Only when a Government is old or incompetent or accident-prone does it suffer by comparison with an Opposition challenger.

That happened in 1972. At times in the past 18 months it has looked as if it has been happening for this election: the Marginal Lands Board affair affecting Deputy Prime Minister Duncan MacIntyre and Lands Minister Venn Young.

Birch's involvement in mining-targeted land on the Coromandel Peninsula.

MacIntyre is No 2 and Birch No 4 in the Cabinet. That is high rank — too high for the Government's comfort — for ministers to be making simple errors.

MacIntyre has already been promoted since his brush with notoriety. Birch, is one of the successes of the current ministry in his decisive handling of the energy portfolio.

Trusted by Prime Minister Robert Muldoon, he is headed for higher things. One could

well be the finance portfolio. It is widely expected in National Party circles that Muldoon will shed the finance portfolio if re-elected.

This would solve the question of whom to make Foreign Minister, now that Brian Talboys is moving on.

MacIntyre is not up to it and will probably stay in agriculture (perhaps with overseas trade as well).

Hugh Templeton has often been chided by Muldoon for his intellectualism and would thus be too much the mouthpiece of the trendies in the ministry for Muldoon's liking. Muldoon hews a more pragmatic and holier-than — and more idiosyncratic — line than the ministry.

And he has always liked strutting the international stage.

Besides, given his remarkable appetite for work, Muldoon could still keep — and would still keep — a close eye on economic management.

So why not put Templeton there to do his bidding? Templeton has already had four years as a junior in the portfolio, the past three as deputy.

The logical answer would be that Birch is tougher, can match Templeton for loyalty and is strong enough to resist the greater excesses of the more-marketisers in the Cabinet and the caucus and thus maintain the Muldoon middle-road.

Another spin-off from such a move would be that bringing Birch into a closer day-to-day association would slightly lessen the chance that Birch might play the Cassius role some anti-Muldoonists see for him when the time comes.

Not that a winning Muldoon need worry: If he is Prime Minister after the election he will dominate the Cabinet and the party.

For the past three years he has had to make some concessions to party feeling. Like promoting Colonel Derek Quigley in rank (though not in portfolio) in the February reshuffle, for instance, or divesting himself of the leadership of the House in 1978.

But if he wins this election — against all the odds, even the

hostility of some in his own ranks — he will have a free hand.

A principal factor in his Cabinetmaking in such circumstances would be loyalty.

Thus we would be unlikely to see sackings among the older and less competent ministers who have proved their loyalty.

People like David Thomson, Bill Young (if he gets back) and Venn Young are secure. Ben Couch seems well on the way to becoming a substitute buddy for the departing Colin McLachlan.

If there was to be a sacrifice, it would most likely be the oldie Liberals would least like to see go: Allan Higher, a sympathetic and effective Minister for the Arts.

Higher has been getting more into line recently — but Muldoon's memory is long and Higher was one of the more recalcitrant Marshall supporters in the early 1970s.

Muldoon came close to dropping Higher in 1978, but felt too unsure of himself to thumb his nose quite so blatantly at the establishment then, so dumped Fendalton's Eric Holland instead.

The loyalty factor becomes a problem when it comes to considering what to do with three of the successes of the 1978-81 Cabinet who deserve promotion: Colonel George Gair, who has quietly turned round health spending and is manufacturers' top pick for trade and industry; Colonel Jim McLay, who is the party's most articulate MP and who has handled the lightweight justice portfolio with consummate skill and ease; and Quigley, remorseless more-marketiser.

All three are now parked in sidelines outside the mainstream of economic decision-making. All three deserve, on their merits, places in that mainstream.

With trade and industry, transport and energy all open and in need of strong, innovative ministers, Muldoon may bring at least one in from the cold.

Gair has the merit of being middle-of-the-road on economics and therefore more to Muldoon's liking for, say, trade and industry.

McLay has the merit of having tried hard to prove his loyalty and thus adaptable, but may be, therefore, not safe enough.

Quigley is unregenerate, and a free enterpriser to boot, so is likely to stay put in minor portfolios.

Upside: at least one and probably two of those key portfolios will be occupied by mediocrities.

As for new entrants, loyalty will be the guiding light again, as it was in the February reshuffle.

Chief whip Tony Friedlander has his adherents, but had a lapse of loyalty last October. If he has overcome that and survives in marginal New Plymouth he may swell the Muldoon ranks in the Cabinet.

Among the undersecretaries only Barry Brill (energy) has ability, but he may not be re-elected even if National wins. Besides, he broke ranks by supporting Labour Minister Jim Bolger's bid for deputy in February.

Coincidentally, he was passed over for the Cabinet in the reshuffle even though in 1978 Muldoon had wanted him in the Cabinet instead of McLay but had to leave him out because his seat was in doubt.

Ken Comber (internal affairs) might pass muster if Higher goes, but he, too, may have trouble holding his seat even in a winning Government.

Then it's down to loyal retainers and the 1978 bunch. Watch for loyal John Falloon, 1977 Pahiataua by-election winner and chairman of the public expenditure committee.

Geoff Thompson has been praised by Muldoon in the past, so is the 1978-er most likely to get promotion — especially since he has learnt middle-of-the-roadism.

Ian McLean has been a solid performer in caucus committees and a capable articulator of Muldoon's economic management.

Don't, however, underestimate the importance of geography. The South Island is losing two ministers so Waitaki's Jonathan Elworthy must be considered on that score — and on the score of moderate ability.

The Bay of Plenty-Waikato region might qualify for one safe, limited, industry undersecretary Keith Allen or sound 1978-er Bruce Townshend or sparky young Rotorua lawyer Paul East?

And, if Higher goes, so might Auckland (loyal junior whip Don McKinnon or Maori Winston Peters?)

Finally, don't underestimate the importance of the "ordinary bloke" syndrome in Muldoon's calculations. Ben Couch got in the last reshuffle, Warren Cooper the time before.

What about someone like Bob Bell (if he survives in Gisborne)?

What does the post-1981 Muldoon Cabinet add up to?

A dominant figure at the top, a strong figure just below in finance, two of the most talented men on the sidelines and maybe one centre-stage and a long tail, with one, maybe two, talented newcomers.

And an unexpectedly good performer in Ian Shearer in the middle somewhere.

And a post-1981 Bill Rowling Cabinet?

Start with an un-dominant Prime Minister — but one with a lot more whip-cracking determination than he had in 1974-75.

At the moment Rowling holds the shadow finance portfolio.

In a new Labour Cabinet Rowling would certainly want to keep close tabs on finance — partly to stop spending ministers spending too much and partly to keep from falling into the old traps of detailed controls.

But both claim to have been able to work easily together in 1974-75 — a claim that holds some water since they share essentially the same technocratic middle-road approach.

Wherever he finished up, Tizard would be an important figure in a Labour Cabinet — a tough negotiator with multi-nationals (and anybody else) an injector of sense into the "think-small talk".

Three others who would certainly carry weight would be Russell Marshall (certain to get education) and the other two Christchurch stars, Geoffrey Palmer and Ann Hercus.

Palmer would be unlikely to be left on the sideline in something like justice, but be brought into a more mainstream economic portfolio of some sort.

Hercus is already serving as associate trade and industry shadow minister and could expect an economic portfolio somewhere in that field.

Roger Douglas, with his maverick tendencies, presents problems, but he will finish up in an economy-related portfolio. "Postmaster-General" one wag said, but it is likely to be weightier than that (his current shadow portfolio is trade and industry).

Mention of Douglas leads across to the anti-Rowling camp.

Deputy leader David Lange has for the time being sidelined himself in the shadow of shadow portfolios. He would need to move into a heavier field to regain power in a Cabinet where the battle for position and influence is hotter than in the looser caucus structure.

But two doubts hang over him: his own attackability, particularly if it was something in the economic field; and Rowling's willingness to trust him.

On balance Lange would be likely to remain sidelined.

That would leave his deputy

Continued Page 23

The personalities

Constitutional issues

Hang round, folks, for the hung Parliament hang-ups

by Colin James

LOVERS of Tom and Jerry cartoons will vote Social Credit this election in certain elections.

That way they might set up the best cat-and-mouse game seen in this country for decades.

If Social Credit holds enough seats after Saturday to hold the balance in the new Parliament our regular politicians will have to learn some new rules. Not since the 1928 election has the Government not held an absolute majority.

Social Credit says it would support the party with the most seats — in the sense that it would not vote against it on a motion of confidence and would thus leave it with a majority over the other party.

National leader Robert Muldoon seems now prepared to go along with this if his party had the majority.

"They have said they would not overturn a Government," he said on a radio talkback early this month.

"That would be all right with me. We'd just box on."

But some of his colleagues would rather see him attempt to manoeuvre Social Credit into an accommodation with Labour.

Social Credit would not like that, since leader Bruce Beetham is well aware that Social Credit could then be seen to be propping up an unpopular Government and cop some of the flak in the following election.

For his part, Labour leader Bill Rowling says he would have none of informal voting arrangements if Labour finished up with the most seats.

"I would feel obliged to ask Sir Beetham if he would be

prepared to serve with a Labour Government."

Questioned, Rowling said he did not mean Beetham serving as a cabinet minister, but actively voting with Labour on all issues. In return, Social Credit would get a few concessions, he added.

What Rowling would do if Beetham called his bluff is not clear.

Much would depend on what the Governor-General, Sir David Beattie, did.

One thing can be taken pretty much for granted. Sir David would probably insist — and has the power to insist — that if no party holds an absolute majority, Parliament should meet before Christmas to clarify where the parties stand.

Apparently a National Government would "box on". That is, Muldoon would govern without Parliament from Christmas till, probably, June and then try to cat-and-mouse Beetham into a situation in which the blame for an early election could be laid at Beetham's door.

Two doubts: Tizard was thought something of a roadblock to the redirection of the thrust of Labour's economic policy (which has occurred since he left the shadow finance portfolio) and might raise caucus fears that he would reverse that thrust; and, being somewhat idiosyncratic, he would tend to run the Treasury as his own fiefdom — which could diminish Rowling's overall control.

But both claim to have been able to work easily together in 1974-75 — a claim that holds some water since they share essentially the same technocratic middle-road approach.

Wherever he finished up, Tizard would be an important figure in a Labour Cabinet — a tough negotiator with multi-nationals (and anybody else) an injector of sense into the "think-small talk".

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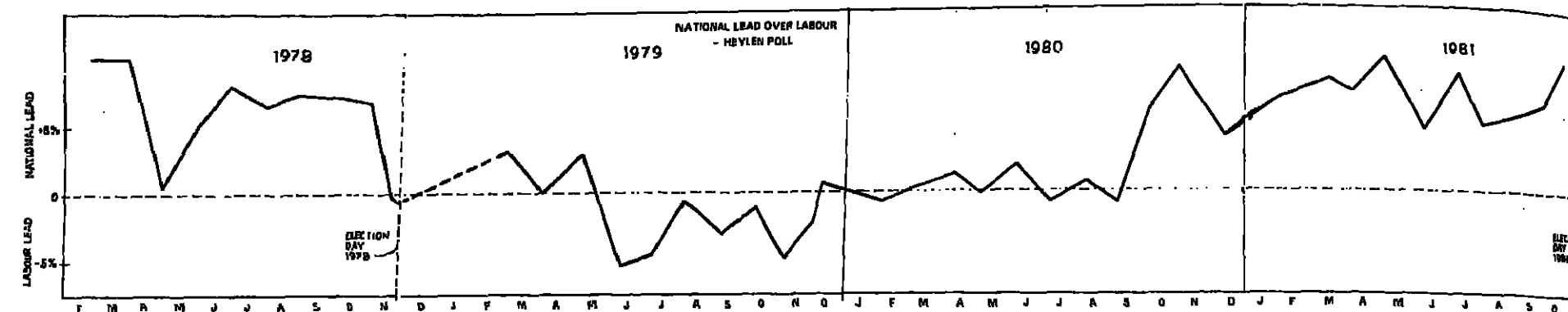
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ELECTION WATCH '81

The polls



Latest figures say National, but the trends . . .

by Colin James

THOSE polls are still not conclusive, despite the apparently hefty National lead. If you are staking your shirt on what they say, at least keep the cuffs linked back out of the pot.

Both polls agree that National went into the campaign with a thumping lead — nearly 10 per cent in the case of the Television New Zealand Heylen Poll and 7 per cent in

the New Zealand Herald-NRB poll.

And, as the graph shows, the gap has been healthy all year and even looks to have been increasing in the run-up to the election.

Or has it?

The graph shows that in the Heylen Poll the gap narrowed during 1978 and went on down in 1979, turning into a lead for Labour. The trend started a bit earlier (spring, 1977), accord-

ing to NRB data, but Heylen's published data does not go back into 1977.

Then in the winter-spring of 1979 the trend started back towards National, crossing over in 1980.

In spring that year, Social Credit suddenly started taking very heavily from Labour, accentuating the gap. But the overall upward trend appears unmistakable.

(In case you are inclined to

dismiss Heylen data, as many people are, the NRB figures — not plotted here to avoid confusion — track Heylen movements and actual measurements very closely, though inclined to measure the peaks and troughs higher and deeper. The same pattern is clearly visible.)

If National's lead is widening, that would mark out a decisive difference compared with 1978 when it was narrowing. Thus, for Labour to make big

gains during the campaign would require the bucking of a trend instead of its accentuation.

And, simple semi-averaging (a sort of poor man's regression analysis) of the measurements over the three-year inter-election period or over the period from October, 1979, suggest the trend line for the gap is in National's favour and the gap is now around 8 to 10 per cent, giving National plenty of leeway for campaign losses.

But if one takes shorter periods the picture changes.

Taking the period from October, 1980 — the post-East Coast Bays surge in Social Credit support — the trend in the gap is almost flat and pointing to a 6 to 7 per cent measurement.

And if the starting point is taken in autumn this year, when Labour began recovering as Social Credit slipped back toward a more "normal" level, the trend in the gap is slightly downwards against National.

This appears even more strongly the case from the more limited NRB data, which show a high peak in the gap in autumn and an apparent fall-back since.

So is National's lead on a slide, just as it was in 1978, but starting later?

If so, does that make it easier for Labour to make up ground during the campaign and perhaps even eliminate the gap?

Two considerations apply.

One is that the post-October bulge in the gap may have been artificial and that it is only getting back on to the longer-term underlying trend line. That would suggest the trend is still upwards, favouring a National win.

The other is that the four-year movement shown on the graph may be a manifestation of no more than a built-in three-year election cycle in party support.

If one takes NRB data from 1970 onwards (the only data going back that far), there appears to be a pattern. National does poorly for a year to 18 months after an election relative to Labour, then improves over the next year to 18 months to a falsely high advantage in the six to 10 months before the next election, by which time it is already on its downward slide.

This happened between 1969 and 1972, 1972 and 1975 and 1975 and 1978. It seems to have been happening between 1978 and 1981. In other words, the actual result on Saturday is likely to be less favourable to National and correspondingly more favourable to Labour than short-term analyses suggest.

And, when the data is plotted on a graph (for which there is not space here), it seems to

show a deeper and longer fluctuation in support underlying the three-year fluctuation.

Overall, the 1972-75 cycle was higher — more favourable to National — than the 1969-72 cycle.

The picture for the next cycle 1975-78 is less clear. It appears to start out higher than the 1972-75 cycle, but then begin to move against National.

The early part of the 1978-81 cycle is decisively more for National than 1975-78 and, given by Social Credit, the latter part looks worse, too.

In other words, there appears to have developed during the 1975-78 term a long-term swing against National. That would be natural. Among the unwritten laws of politics is one that says there is a natural attrition against an incumbent Government.

That would suggest that, in the absence of any short-term special factors, Labour could look forward to being the Government after this Saturday.

But there are special factors: the intrusion of Social Credit, likely to take around 20 per cent of the vote; the appeal of National leader Robert Muldoon to conservative working class Labour supporters, an appeal accentuated by the tour (confirmed by recent poll data) the effect of his spending spree to buy the election on time payment (you pay, next year, with interest); maybe the effect of Labour's own internal unity and identity problems.

Thus, in the final analysis, all one can say about the election after reading the polls is that it is "too close to call".

But one sign is worth noting. In the past two Heylen Polls,



Rob Muldoon... his charisma a major factor

Labour seems to have improved relative to National in Auckland, suggesting a continuation of the 1978 trend back to Labour there.

But even in this sign, there is room for confusion. It may reflect no more than the apparent anti-Muldoon liberal trend in Labour on the North Shore and the central isthmus — which would not leave Labour with substantial gains.

The electorates

ELECTION WATCH '81

Figuring out on winning by default

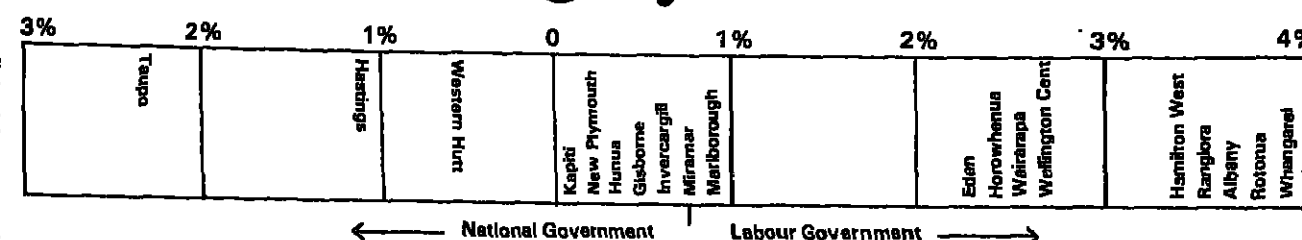
by Colin James

ONE prediction can be made with reasonable confidence about the election: that whoever "wins" will win by default.

The party that gets the most seats will on current indications get fewer than 43 per cent — a figure that from 1935 to 1975 would have ensured the party that got it would lose.

The nearest winning party came to that was in 1966, when National won with 43.6 per cent of the vote — a year when Social Credit got 14.5 per cent. Last election National "won" with under 40 per cent of the vote.

So, don't just watch the seats



go up on the board. If you want to know whether we are getting back to "normal", watch to see if the winner gets more than 45 per cent.

If it does not, mark down the next Parliament as a continuation of uncertainty. And if you do mark it down so, you will be doing no more than confirming that both the main parties are

in transition and that the voting public is naturally not clear as to what they stand for.

To get an idea early on election night as to who will finish up with the most seats, watch the "swing" between National and Labour.

If a swing from Labour to National develops, you can

safely switch off in the knowledge of three more years of the Muldoon ministry — unless that swing is small and there is also a big build-up in the Social Credit vote.

That could mean a two-way anti-National movement that could push some National seats to Social Credit and some to Labour and so produce a

Labour Government, perhaps even with an outright majority.

So keep an eye also on the Social Credit percentage. If it is up by 10 per cent or more on the 1978 figure in the early results, stick around. There might be a lot of interest left yet.

Continued Page 38

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The electorates

THE following table of seats compiled by Richard Fletcher and Colin James includes a description of the electorate, the candidates known at the time of writing, past results, the voting characteristics of the electorate and potential influences this time, and the two-party swing for the seat to change hands to the party candidate with the greatest chance of beating the incumbent. Where there is a strong presence of two opposing parties (for example in Helensville and Waitakere), two-party swing for both is listed.

The "swing" is that used by Alan McRobie and Nigel Roberts: the percentage change in the positions of two parties calculated in relation to the total vote recorded by those two parties added together.

Auckland

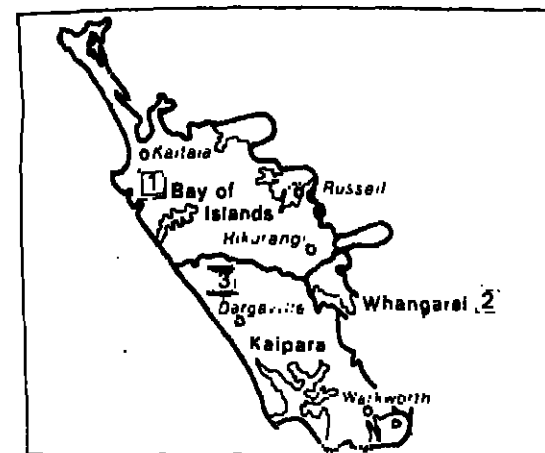
AUCKLAND had been drifting Nationalwards since 1966 until in 1978 it kicked back a little towards Labour. National hopes for Roskill and Onehunga on the isthmus, but they are much less marginal than Hunua, where Labour hopes to wipe out memories of the Electoral Court decision which deprived it of the seat in 1979.

Social Credit's main strength is in the north, where it holds East Coast Bays and is eyeing Albany and Helensville. Its chances are also rated highly in Pakuranga, a seat similar in character to East Coast Bays, even though it was third there in 1978. Some of the sting may have gone out of the Social Credit thrust in the west, where Helensville is also at risk to Labour.

Labour also has hopes for Eden, a seat which has been often marginal but seldom captured. No change is likely elsewhere, but watch Labour's majority in Auckland Central, rapidly changing in character. And liberals on the North Shore are shifting Labourwards, so watch National majorities there.

Northland

THE North is Social Credit territory, dating back to the 1930s. In the two National-held rural seats, it is virtually a straight fight, with Kaipara highly marginal. But Labour is a force in Whangarei and there the fight is principally between Labour and National.



1. Bay of Islands

ELECTORATE THUMBNAIL: Predominantly rural with concentration of fruit growing areas. Developments of tourism and forestry.

CANDIDATES: National, Neil Austin, MP, 55, former farmer; Social Credit, Les Hunter, 54, farmer, chairman of poultry company, company director; Labour, Andrew Rae, 54, hotelier; Independent Social Credit, Wini Holt, 52, semi retired farmer; No Confidence, C.L. McClellan.

1976 RESULT: National, 7951; Social Credit, 3831; Labour, 2704; Values, 605.
1978 RESULT: National, 7430; Social Credit, 5748; Labour, 2938; Values, 608.

PARTY LOYALTIES: Basically a rural National seat but also the country's most celebrated social credit area, having been represented by Captain Harry Rushworth (Country Party) on a social credit platform from 1928 to 1938 and by Social Credit Political League leader Vernon Cracknell from 1968 to 1968. Has put Social Credit at least second in all but one election since the league began. Labour presence weak and may be a decisive factor with a weaker candidate this time than in 1978. Disillusioned purist Social Crediters who believe the current leadership has drifted away from the true line are running an independent against Hunter, architect of the modern monetary reform line.

CLASSIFICATION: Marginal National
Two-party swing 1976-78: 11.1% from National to Social Credit
Swing needed for Social Credit to take seat: 6.4%

2. Whangarei

ELECTORATE THUMBNAIL: Provincial city electorate with small surrounding rural area. City has grown considerably in recent years, but fairly high unemployment.

CANDIDATES: National, John Banks, 34, company director; Labour, Bruce Penney, 44, insurance broker; Social Credit, Bill Fraser, 34, company director.

1976 RESULT: National, 9564; Labour, 7305; Social Credit, 2015; Values, 750.
1978 RESULT: National, 8184; Labour, 7008; Social Credit, 5485; Values, 336; Other, 57.

PARTY LOYALTIES: A principally National seat which went Labour between 1972 and 1975 and is vulnerable to both Labour's personable Penney, who held the Labour vote in Bay of Islands in 1978, and Social Credit. National's sitting MP John Banks was deposed by Banks in the selection of a new MP. Social Credit also dropped its 1978 candidate, a former city councillor Joyce Ryan, amid some factional bitterness. Both sides could help Labour in a particularly interesting three-way contest. Some Labour: hundreds of Labour abstainers in 1978 who might be persuaded to vote this time.

CLASSIFICATION: Marginal National
Two-party swing 1976-78: 22.7% from National to Labour
Swing needed for Labour to take seat: 3.8%
Swing needed for Social Credit to take seat: 9.9%

3. Kaipara

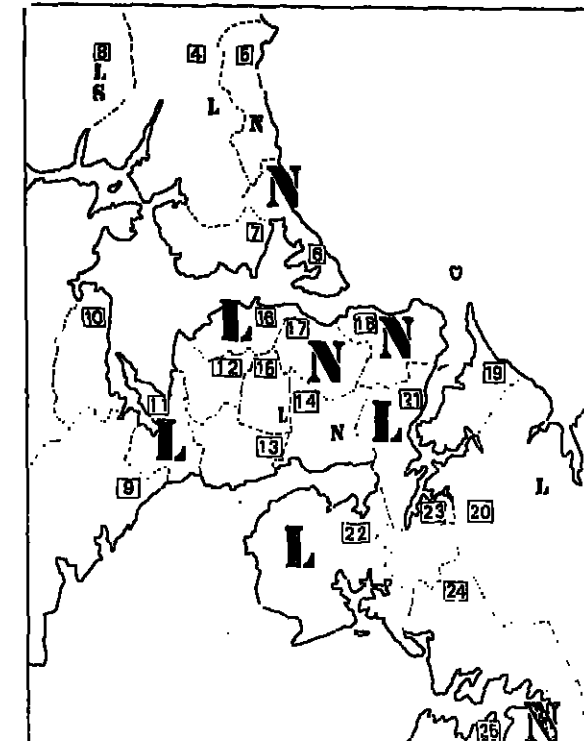
ELECTORATE THUMBNAIL: Primarily a rural electorate with dairy and fruit growing predominating. A growing tourist industry.

CANDIDATES: National, Peter Wilkinson, MP, 46, former lawyer; Social Credit, Nevill McConnochy, 54, farmer; Labour, Gus Bothwell, 32, farmer; Values, Bernard Meswood, 48, farmer, lecturer.

1976 RESULT: National, 9858; Social Credit, 3791; Labour, 2312; Values, 700.
1978 RESULT: National, 8234; Social Credit, 7714; Labour, 1423; Values, 336; Other, 17.

PARTY LOYALTIES: National got a bad fright here in 1978 from Social Credit's rise. The seat has been high on Social Credit's list since the party began and the addition of the traditionally strong Social Credit area around the town of Kaupara has helped make it highly marginal. McConnochy is a seasoned campaigner, having stood in the Kaipara seat, or its predecessor, many times.

CLASSIFICATION: Marginal National
Two-party swing 1976-78: 20.0% from National to Social Credit
Swing needed for Social Credit to take seat: 1.7%



4. Albany

ELECTORATE THUMBNAIL: Rapidly growing suburban electorate with many well-to-do homes. Some horticultural areas.

CANDIDATES: National, Donald McKinnon, MP, Government junior whip, 42, former real estate manager, farm surveyor; Labour, Brian Mockridge, 31, planning accountant; Social Credit, George Thew, 56, engineer.

1976 RESULT: National, 8938; Labour, 5704; Social Credit, 1450; Values, 973.
1978 RESULT: National, 8597; Labour, 7438; Social Credit, 4091; Values, 543; Independent National, 307.

PARTY LOYALTIES: National may be able to count on suburban development to put the seat beyond Labour's reach, though much may depend on the Social Credit vote which was higher than average in 1978. Social Credit spillover influence from Kaipara to the north and East Coast Bays to the east may even put veteran campaigner Thew in with a chance if there is a big swing nationwide to Social Credit.

CLASSIFICATION: Marginal National
Two-party swing 1976-78: 7.2% from National to Labour
Swing needed for Labour to take seat: 3.7%
Swing needed for Social Credit to take seat: 17.8%

5. East Coast Bays

ELECTORATE THUMBNAIL: Upwardly mobile fast-growing suburbs with lifestyle aspirations that outpace mortgage repayment capacity. Even the less well off own homes and cars (just).

CANDIDATES: Social Credit, Gary Knapp, MP, 33, former advertising executive; National, Donald Brash, 40, economist, merchant banker; Labour, Neville Craghton, 49, teacher; Independent, Eric Smith, 56, retired for Values in 1979.

1976 RESULT: National, 10,330; Labour, 5428; Values, 1498; Social Credit, 989.
1978 RESULT: National, 7878; Labour, 6708; Social Credit, 4448; National Alternative, 3884; Values, 336.
1980 BY-ELECTION: Social Credit, 8061; National, 7110; Labour, 3286; Values, 144.

PARTY LOYALTIES: Provided the most spectacular by-election upset in recent times in September 1980 when Knapp beat Brash against even his own expectations. Knapp is widely thought difficult to shift, but National own expectations. Brash is widely thought difficult to shift, but National has regrouped and is running its campaign to Brash's strengths. Much will depend on whether Labour, in with a chance in 1978 but badly mauled in the by-election, can put back its foot.

CLASSIFICATION: Marginal Social Credit
Two-party swing 1976-78: 25.1% from National to Labour
Swing needed for National to take seat: 3.2%

6. North Shore

ELECTORATE THUMBNAIL: Settled suburbs with many upper income families and some of the most expensive housing in greater Auckland.

CANDIDATES: National, George Goff, MP, Minister of Health, 55, former journalist; public relations officer; Labour, Peter Chambers, 45, office manager; Social Credit, Dick Ryan, 47, former director of Commission for the Future.

1976 RESULT: National, 11,202; Labour, 6955; Values, 1581; Social Credit, 1163.
1978 RESULT: National, 10,361; Labour, 5701; Social Credit, 3488; Values, 803.

Continued Page 31

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	one call	two or more calls*
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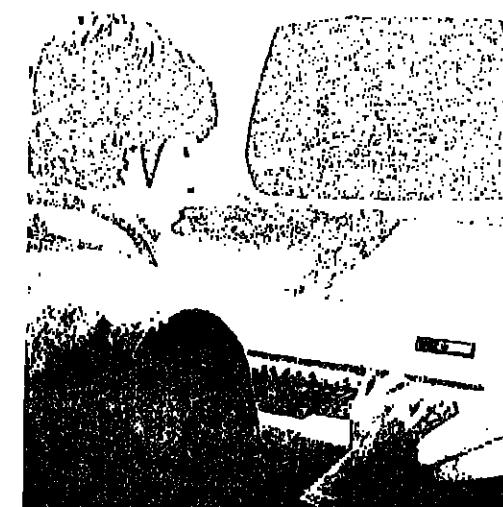
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The electorates

ELECTION WATCH '81

From Page 27

PARTY LOYALTIES: Gair has turned North Shore from just marginal into a rock solid National seat. But Labour's organisation is unexpectedly strong there, so that majority may be reducible.
CLASSIFICATION: Safe National
Two-party swing 1975-78: 0.8% from National to Labour
Swing needed for Labour to take seat: 14.8%

7. Birkenhead

ELECTORATE THUMBNAIL: Mixed urban electorate tending towards upper and middle class areas. Development since 1976 of new subdivisions.

CANDIDATES: National, Jim McLeay, MP, Minister of Justice, 36, former lawyer; Labour, Bill Smith, 47, teacher; Social Credit, Mary Adair, 51, retailer.

1975 RESULT: National, 9263; Labour, 7224; Values, 1139; Social Credit, 808.
1978 RESULT: National, 9360; Labour, 8816; Social Credit, 2583; Values, 480.

PARTY LOYALTIES: McLeay wrested Birkenhead off Labour's Norm King in 1976 with one of the biggest swings in the country and then managed the pro-Government swing in 1978 that was not substantially due to the intervention of Social Credit or an independent. Popular, liberal and fast-moving, McLeay should be safe, but Labour has recently found some cause for hope in liberal disaffection with Prime Minister Robert Muldoon.

CLASSIFICATION: Fairly safe National
Two-party swing 1975-78: 1.7% from Labour to National
Swing needed for Labour to take seat: 7.9%

8. Helensville

ELECTORATE THUMBNAIL: Partly rural electorate with profitable dairy farming and wine growing. Growth in forestry and tourism. Increased urbanisation of the south-east of the electorate around Henderson, Swanson and Massey.

CANDIDATES: National, Dail Jones, MP, 37, former barrister; Labour, Jack Elder, 32, teacher; Social Credit, David Howes, 39, insurance officer.

1975 RESULT: National, 7871; Labour, 4811; Social Credit, 1615; Values, 820.
1978 RESULT: National, 7783; Labour, 5884; Social Credit, 4510; Values, 370.

PARTY LOYALTIES: Labour considers Helensville marginal and Elder is making his second attempt against Jones. But Social Credit thinks Helensville is winnable (or, has put one of its higher-profile candidates, Howes, in to contest the seat. High proportion of small farmers and small businesses may help Howes. Labour has good pickings in low-cost southern housing areas in the south and National in rural and military areas in the north.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 7.3% from National to Labour
Swing needed for Labour to take seat: 13.4%

9. Waitakere

ELECTORATE THUMBNAIL: Rich, leafy liberal Tairāwhiti in the hills spills down to large blue-collar population in Glen Eden. Middle income to lower cost housing in Green Bay. Increasing numbers of artisans, artists, potters and weavers. Contains some orchards and vineyards.

CANDIDATES: Labour, Ralph Maxwell, MP, associate shadow minister of primary industries, 47, former teacher and real estate manager; National, Martin Gummer, 26, lawyer; Social Credit, Patricia Wojcik, 61, housewife; Values, 1466.

1975 RESULT: Labour, 7022; National, 6642; Social Credit, 1634; Values, 1466.
1978 RESULT: Labour, 8612; National, 6596; Social Credit, 3731; Values, 462; Other, 174.

PARTY LOYALTIES: One of the few Labour-held seats where Social Credit believes it is in with a chance. National does, too, counting on a gradually emerging affluence in the hills around Tairāwhiti. Labour counts on its base in the south. Both main parties have lively wire organisations belittling the area. Wojcik, Social Credit's merrily spokesperson, has had some national exposure.

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 5.2% from National to Labour
Swing needed for National to take seat: 8.7%

10. Te Atatu

ELECTORATE THUMBNAIL: Suburbs of substantially lower cost and state rental housing, much of it new. Also contains vineyards and orchards. Slowly becoming more established.

CANDIDATES: Labour, Michael Bassett, MP, shadow minister of health, 42, former university lecturer; National, Shelia Noble, 47, housewife; Social Credit, Rodney Wilson, 32, patent attorney.

1975 RESULT: Labour, 7017; National, 6271; Social Credit, 1208; Values, 888.
1978 RESULT: Labour, 8640; National, 6821; Social Credit, 2823; Values, 250.

PARTY LOYALTIES: State-housing base in Te Atatu proper should re-elect Bassett, but Labour's left-leaning Labour MP Bassett, one of the ring-leaders in the attempted "coup" against Opposition leader, Bill Rowling, last December.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 6.9% from National to Labour
Swing needed for National to take seat: 9.8%

11. New Lynn

ELECTORATE THUMBNAIL: Established lower and middle class suburbs, with a number of industrial complexes including Crown Lynn pottery.

CANDIDATES: Labour, Jonathan Hunt, MP, Opposition chief whip, 43, former teacher; National, Ronald Hanson, 64, property maintenance supervisor; Social Credit, Bruce Yeaker, 36, teacher; Socialist Unity Party, Roy Stewart, 38, accountant; Independent, John Elliot, 42, IMP for Whangarei, former teacher.

1975 RESULT: Labour, 8208; National, 6872; Social Credit, 1108; Values, 973.
1978 RESULT: Labour, 9866; National, 6176; Social Credit, 2649; Values, 278.

PARTY LOYALTIES: Hunt should have no difficulty cementing his already formidable lead.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 9.6% from National to Labour
Swing needed for National to take seat: 14.6%

12. Mount Albert

ELECTORATE THUMBNAIL: Inner, established suburbs, gradually being spread. Includes Harvie Bay and better housing areas of Grey Lynn.

CANDIDATES: Labour, Helen Clark, 31, university lecturer; National, Wai-

ran Moyes, 42, company director; Social Credit, Harold Danse, 41, agricultural scientist.

1975 RESULT: Labour, 8756; National, 7813; Values, 1273; Social Credit, 993.
1978 RESULT: Labour, 9718; National, 6857; Social Credit, 2363; Values, 371.

PARTY LOYALTIES: Clark has a proven track record within the party at rallying grassroots support to win high votes for executive positions. Clear-sighted, left-leaning, feminist, Clark should safely take over from retiring Warren Freer. One sign: National's former electorate chairman, Murray McCully, has gone south to manage the campaign in Onehunga.

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 5.1% from National to Labour
Swing needed for National to take seat: 8.7%

13. Roskill

ELECTORATE THUMBNAIL: Now established suburbs with some new housing near Manukau Harbour. Gradually becoming more middle class.

CANDIDATES: Labour, Philip Goff, 28, union official; National, Cheryl Parsons, 35, finance executive; Social Credit, Chris Lynch, 29, businessman.

1975 RESULT: Labour, 8728; National, 8376; Values, 1127; Social Credit, 1046.
1978 RESULT: Labour, 9864; National, 7913; Social Credit, 2167; Values, 233.

PARTY LOYALTIES: National thinks this seat is winnable eventually, if not this year. A high-powered team has been put in to help Parsons capitalise on the changeover from long-serving MP, former Cabinet minister and party president Arthur Faulkner to the younger, more radical Goff.

CLASSIFICATION: Marginal Labour
Two-party swing 1975-78: 3.8% from National to Labour
Swing needed for National to take seat: 4.8%

14. Onehunga

ELECTORATE THUMBNAIL: Mixture of established well-to-do, middling and poor housing in three distinct areas. Some industrial areas.

CANDIDATES: Labour, Fred Gerbic, MP, 49, associate shadow minister of labour, former industrial negotiator; National, Sue Wood, 32, teacher; Social Credit, Stuart Perry, 33, advertising sales manager.

1975 RESULT: Labour, 6950; National, 6888; Values, 1183; Social Credit, 1101.
1978 RESULT: Labour, 8937; National, 7420; Values, 2136; Social Credit, 390; Other, 22.

1980 BY-ELECTION: Labour, 6543; National, 6336; Social Credit, 1536; Other, 186.

PARTY LOYALTIES: National thinks regenerating housing south of One Tree Hill should boost its chances. A hold-the-line result in the 1980 by-election gives further hope. But the Labour organisation has rebuilt under new MP Fred Gerbic. Any substantial swing to National in Auckland should put Onehunga into the net, but otherwise Gerbic should not be troubled.

CLASSIFICATION: Marginal Labour
Two-party swing 1975-78: 4.1% from National to Labour
Swing needed for National to take seat: 4.4%

15. Eden

ELECTORATE THUMBNAIL: Established lower to middle income urban electorate rapidly redeveloping as flats are reconverted into houses and older houses upgraded.

CANDIDATES: National, Anthony (Aussie) Malcolm, MP, Minister of Immigration, 40, former advertising executive; Labour, Dr Ian Scott, 37, medical practitioner; Social Credit, Alan Scott, 28, teacher; Values, Rosa Tyson, 38, bank officer.

1975 RESULT: National, 10,213; Labour, 8658; Values, 1081; Social Credit, 515.
1978 RESULT: National, 8663; Labour, 8006; Social Credit, 1836; Values, 877; National Alternative, 525; Other, 102.

PARTY LOYALTIES: Eden went Labour from 1972 to 1976 but otherwise has stuck with National for three decades. Labour's Scott has a vigorous campaign team citing of what has become a decidedly marginal electorate, but big demographic changes as flat properties revert to owner-occupied houses and prices rocket may help sitting MP Malcolm.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 2.5% from National to Labour
Swing needed for Labour to take seat: 2.0%

16. Auckland Central

ELECTORATE THUMBNAIL: Industrial and old inner city with a high proportion of Polynesian voters, but they are being replaced by young middle class voters refurbishing older Ponsonby area.

CANDIDATES: Labour, Richard Prebble, MP, shadow minister of social welfare and island affairs, 33, former lawyer; National, Dorcas Reid, 38, sales representative; Social Credit, Bruce Shoppard, 22, accountant; Cheer Up, Vincent Temini.

1975 RESULT: Labour, 8040; National, 5227; Values, 1806; Social Credit, 709.
1978 RESULT: Labour, 8603; National, 4319; Social Credit, 1083; Values, 704; Other, 62.

PARTY LOYALTIES: Labour maverick Prebble should have no trouble holding on to a seat that boundary changes and the 1978 swing to Labour have moved out of marginal into the safe class. But as the inner city is redeveloped residentially, this seat may gradually become marginal again over the next decade. There may be some scope for Reid, a Cook Islander, to pick some of the Polynesian vote off Labour.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 8.4% from National to Labour
Swing needed for National to take seat: 19.0%

17. Remuera

ELECTORATE THUMBNAIL: When you are in Remuera you've made it or your grandfather did. High income housing throughout, from redevelopment Parnell in the inner city to old school Remuera proper.

CANDIDATES: National, Allan Highton, MP, Minister of Internal Affairs, 67, former accountant; Labour, Judith Tizard, 25, restaurateur; Social Credit, Eddie Hagen, 48, electrician; Values, Jeanette Fitzsimons, 33; Independent, Malcolm Moses, 33, company director.

Continued Page 33

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ELECTION WATCH '81



Labour

ECONOMY
Aim of policy: Employment through economic growth with short-term impact by 1983-4.
How it should be achieved: Across-the-board investment with emphasis on jobs and exports rather than high-capital investment in a small number of sectors. Particular emphasis on agriculture, heavy industry and energy, housing, tourism, other small business and railways with spin-off in service and public sectors.
Where the resources will come from: A "rethink" of some of the priorities in present energy developments.

AGRICULTURE
Aim of policy: To increase production and put the profit back into farming.
How it should be achieved: Government purchase of available land and incentives for retiring farmers so land is available for young farmers. Greater land use particularly in horticulture, viticulture, irrigation, retention of present support systems.
Where the resources will come from: Expansion of the Rural Bank's operation to provide a full banking service and to allow for investment in new farms and support of "approved farm developments".

FISHING
Aim of policy: Sound management of industry with a view to conservation of marine/freshwater resources for present and future recreational and commercial use.
How it should be achieved: Efficient policing/management of 200-mile zone with greater local input; other countries using the zone will be obliged to assist and develop the zone. Expansion of the New Zealand Productivity Commission to include the Fishing Industry Board; encouragement of small fishing ventures.

LANDS
Aim of policy: Development of total land use; stopping undue emigration and ensuring that land is used for its intended purpose.
How it should be achieved: Policy developed at central government level for use by central/local government; complete land inventory; set up land resources information service; legislation against undue aggregation, step up land purchase programme for potential young farmers; review Crown land holdings (cl outdoor policy, covering recreational aspects).

ENERGY
Aim of policy: The move to self-sufficiency is essential.
How it should be achieved: In the short term, maintain hydro development in both lands with examinations of major and local schemes such as, assisting identification of main hydro schemes; 25 per cent reduction in bulk tariff for South Island industrial and domestic users; interest free loans for energy conservation measures; speeding up North Island gas pipeline expansion; sales tax on CNG/LPG conversion equipment removed for two years with parallel LPG development in South Island; research and development into solar, coal and lignite resources; second look at synthetic petrol and methanol/ethanol proposals; closer co-ordination/integration of local energy authorities.
In the medium term, re-examination of export of coal and gas; assessment of limits of hydro expansion; priorities to be given geothermal development; greater use of coal as an industrial fuel; research into sources for domestic liquid fuels.

TRADE AND INDUSTRY
Aim of policy: Balanced development strategy with private sector the major source of growth/job creation.
How it should be achieved: Tax concessions for increasing employment; revitalisation of DFC emphasis on export, manufacturing, substitution sectors; two-tier tax system for companies; packages to encourage new industry; upgrading of IDC with commission providing alternatives for industries which have to rebuild; export incentives to be reviewed; overseas investment, still important but must fulfil Labour development criteria; continued review of Import Licences; independent review authority for customs classification decisions; return of Export Import Corporation to original objectives with particular emphasis on small business.

EMPLOYMENT
Aim of policy: Long term, to eliminate unemployment. Short term, to provide further training or work to unemployed youth and school leavers.
How it should be achieved: For the first three months, the present unemployment benefit will be replaced by a "job search allowance" and a range of work training schemes; surveys of job shortages at regional and national level; a five-year task force headed by Prime Minister with employer, union, education, local authority and government members will be set up; "challenge work programme" in worst hit areas; and public sector employment scheme/abolition of "sinking lid".
Job subsidy programmes in the private sector.
Where the resources will come from: In part from a levy on all employers until they meet employment targets set for the month. Job incentive can only come through economic growth increase. Active manpower policy will help monitor situation and identify needs.

INDUSTRIAL RELATIONS
Aim of policy: Updating/improvement of industrial legislation, mediation and arbitration system; promotion of industrial democracy.
How it should be achieved: Enactment of a legislative code dealing with all labour matters, individual and collective; new legislation on injunctions, damages, strikes in industrial disputes, redundancy, health and safety; conciliation/mediation services amalgamated; possible division of Arbitration Court into Arbitration Commission/Industrial Court; for industrial democracy, a need for effective trade unions and "the right of workers to engage in collective bargaining on all decisions affecting their working lives".

REGIONAL DEVELOPMENT
Aim of policy: To provide jobs in rural/provincial areas and incentives for regionally based industry. To achieve more local control over local affairs.
How it should be achieved: A Ministry of Regional Development using existing resources; the number of regional development councils will be expanded and their focus changed, with more representation from a wider number of groups; in rural areas further processing closer to the farm gate, local craft industries (skins/leatherwork) with marketing backup.
Where the resources will come from: Regional development bonds at a local level and central government funding through the DFC and Small Business Agency with development assistance for industry based on smaller towns.

LOCAL GOVERNMENT
Aim of policy: Giving local government more functions, wider powers, new sources of finance; greater participation in decision-making. Some decentralisation of Central Government functions where these are better handled at a local level.
How it should be achieved: Local Government Commission will be formed, assisted by Planning Council and local bodies; Community councils will be expanded; and a committee of inquiry held on assistance with social services. A ward system will be required for local bodies with populations greater than 70,000, in local bodies of between 20,000 and 70,000 population vote on ward system will be held at next local body elections; common electoral roll for local/general elections.
Where the resources will come from: A system of revenue-sharing. Rates will follow a better method can be found. Special assistance fund will be maintained and extra taxation revenue caused by local authority zoning changes will be distributed through fund. Amendment of Local Government Act to allow local bodies extra revenue-generating activities. Administration of local body loans through a Loans Corporation.

TRANSPORT
Aim of policy: To co-ordinate transport modes with each carrying out complementary functions; cost of services should be the real cost of resources involved.
How it should be achieved: Replace Transport Advisory Council with New Zealand Transport Council, with powers to determine direct modes to be used; revamping of Railways with non-commercial services identified in separate accounts; Railways proposals on long-term highway; Air New Zealand merger to be investigated; road should be used for rail; extension of New Zealand owned shipping at Lyttelton ferry; Ports Authority restructured as maritime commission with wider powers.

National

ECONOMY
Aim of policy: Export-led growth based on major energy projects and expansion of the export sector.
How it should be achieved: Restructuring existing export areas and encouragement of successful overseas marketing strategies; reduction of import substitution while moving into foreign exchange-earning areas; shifting of emphasis from high-cost inefficient sectors to more productive export sectors; local policies, include industry studies, reform of the import licensing system; overall, a reduction in protection.

AGRICULTURE/HORTICULTURE
How policy should be achieved: Past policies have been successful with increases in production and change of emphasis in farm support policies, development through land development encouragement loans scheme (Landell) and livestock incentive scheme; in the future, a replacement scheme for Landell; continued incentives for horticultural development with increased production for export.

FISHING
Since 1975 expansion of industry encouraged and expects further expansion in job opportunities; industry has firm base of trained people in traditional areas, but need for further training and new domestic development into species such as skipjack/bluefin tuna; support for fish farming.

LANDS
Aim of policy: Continued programme of accelerated land settlement for aspiring farm-owners through the Lands and Survey ballot scheme.
How it should be achieved: Level of settlement will be 70 to 80 units a year with the intention of settling all Crown landholdings in the Lands and Survey bank by the turn of the century; land will also continue to be purchased for short and long-term settlement where appropriate.

ENERGY
Aim of policy: To continue development toward more self-sufficiency in liquid fuels and to develop indigenous energy resources.
How it should be achieved: Meet synthetic petrol plant; expansion of CNG/LPG industries; production of condensate for refining; possible later use of methanol; further hydro development, as well as geothermal and coal development; possible future moves in biomass and forest wastes as an alcohol source.

MANUFACTURING
Aim of policy: Continued growth to create jobs/expand export base.
How it should be achieved: Export incentives to continue; industry studies creating further base for reassessment of priorities in development/protection; continued promotion of development through co-operation/assistance with Manufacturing Development Council. Small Business Agency, Applied Technology Programme, Venture Capital Facility; commitment to major tax reform; further moves on CER and promotion of new markets.

EMPLOYMENT
Aim of policy: A job for everyone who wants to work through co-operation and positive involvement of unions, employers, the education system and the training institutions.
How it should be achieved: Economic growth will mean further job opportunities directly in new/traditional export industries — agriculture, horticulture, energy/resource-based industry and indirectly in services to major developments and through import substitution in appropriate industries.

INDUSTRIAL RELATIONS
Aim of Policy: The workplace of the 1980s should be based on a partnership between management and workers, working together to increase production, and industrial law should reflect this. The pursuit of an industrial law should not be used as an excuse for industrial conflict.
How it should be achieved: Free wage bargaining can only continue if wage negotiations are consistent with the country's economic performance; centralised decision-making will delay and diminish the benefits of technology; consultation before introduction between worker and management is a must; the size of redundancy claims being sought by unions means the Government must consider whether it is now necessary to define when redundancy payments legitimately should be made and establish minimum and maximum levels; in seeking to establish the rights of workers it is essential that a situation is not created where employers are reluctant to take on staff.

REGIONAL GROWTH
How policy should be achieved: Major developments at regional level include Northland refinery expansion, South Auckland steel mill, central North Island forestry, gas-based Taranaki projects, expanded LPG supplies to North and South Islands, Nelson/Marlborough forestry, South Island hydro-electric projects, aluminium developments in Otago and Southland. Southland forestry, coal exports from the West Coast; development in these and traditional export industries creating increased growth and economic activity at a regional level benefiting a range of industries and creating jobs; regional and central government regional development programmes all have a role to play in the process.

WORKS AND DEVELOPMENT
Continuation of present National Roads Board activities in the roading areas; ongoing policy on water and irrigation with expanded irrigation, river and catchment development; priority will continue operation as both supervisor and contractor with a mix of private/public enterprise construction but its major role will be as adviser to Government and construction supervisor.

TRANSPORT
Aim of policy: Transport system which contributes positively to growth.
How it will be achieved: Continued upgrading of railways with electrification of main trunk line by 1987; railways to compete with other modes; 180km limit and road user charges system has helped in this; Urban Transport Act designed to ensure efficient local transport; confidence in future for Air New Zealand, merger helped profitability; domestic air services policy review will assist in revising licensing framework; continued encouragement of rational port development, support for Shipping Corporation, support for Forum Line; assurance of continuing efficiency of ferries with tenders for new ferry to replace Arahoro.

FORESTRY
Aim of policy: Encouragement of exotic forestry on land and in regional areas where the greatest benefit can be obtained.
How it should be achieved: Creation of employment through planting, processing and marketing; forestry conference report seen as valuable in future planning but encouragement of more individual ownership, such as by farmers, which would mean a development toward smaller forests; gradually diminishing the cut from native forests to an acceptable base level while encouraging the planting of replacement special purpose timbers; the future of rural communities dependent on these forests must be protected with development of alternative wood sources.

TOURISM
Aim of policy: Doubling the number of tourists by 1980 without threatening the environment.
How it will be achieved: International promotion programmes ensuring greater activity in more isolated regions; active private-sector promotion overseas with assistance from Government agencies; continued major overseas promotion campaigns; 9 per cent grant of approved construction costs for major hotel developers in helping expansion of number of available beds; other policies have included removal of price control from accommodation industry, industry in South Island eligible for 25 per cent electricity concession; Saturday trading, abolition of compulsory efficiency of ferries with tenders for new ferry to replace Arahoro.

JUSTICE
Aim of policy: Improvement of the citizen's access to justice through the legal system; free flow of information; law reform on a systematic basis; continued review of penal policies.
How it should be achieved: Further use of pamphlets explaining how changes (such as court structure) and the present system work; a possible law-related education scheme; implementation of provisions in the proposed Freedom of Information Act; improved penal services and training with an expanded building programme and the Penal Review Committee for guidance on directions; imprisonment where necessary for violent crimes but further use of community-based sentences and possible expansion of services for victims of crime.

PARLIAMENTS
Aim of policy: Security of access to markets by development of "total relationship" with trading partners.
How it should be achieved: Keeping Aotearoa going, development of further links with South Pacific; CER with Australia; expansion of links with Middle East, Africa, continued work in UN; development of new markets, as through work on Antarctic Treaty, Law of the Sea, International Whaling Commission; all emphasis on South Pacific support of Glengarry.



Social Credit

FINANCE
Aim of policy: Financial reform.
How it should be achieved: Removal of internal debt; repayment of overseas loans as soon as possible; proper balance of purchasing power in the community with production; cheaper government/local body loans to reduce costs; investment in private local industry; no borrowing from IMF; compensating price scheme on consumer goods; monitoring of monopolies and takeovers.
Where the resources will come from: Taxation reform; revision of company tax; encouragement of credit union movement; trustees banks to become regional development banks; minimum living wage.

TAXATION
Aim of policy: To regulate the tax take according to actual productivity; limit the percentage of national income the Government can take in taxes.
How it should be achieved: Tax reductions instead of wage increases; rebates for dependent wife/husband; reduced indirect tax; increases in rebate on overtime; tax rebates for travel cost to and from work, for interest charges, rates, home maintenance up to total of \$800; revision of company tax; reduction of company tax for small to medium business.

AGRICULTURE
Aim of policy: Security of land tenure; promotion of further land settlement; assisting with erosion control; providing incentives for increased production.
How it should be achieved: Farmer production cost assured but paid for output, rather than subsidised on input; cost of price review to ensure production cost paid at farm gate; tax incentives for increased production; farm hand's expenses tax deductible with incentives for such as "stepping stone farms"; land development corporation for development of Crown land; marketing by private interests, co-operatives with establishment of producer boards with support of those in the industry.
Where the resources will come from: Low interest loans from New Zealand Credit Authority to producer boards; Rural Bank preference for first-time owners in arched/horticulture.

MARINE
Aim of policy: Planned use can be best made of fishing grounds by New Zealand fleets.
How it should be achieved: Priority given to research; steps taken to protect grounds from damage; extension of territorial limits to 50 miles; establishment of university chair of aquaculture and fishing school at selected technical institute; crayfish harvested in rotation by zoning. Where the resources will come from: For the industry finance available to assist build-up of a fleet of vessels; encouragement of individual and co-operative ownership.

ENERGY
Aim of policy: Energy self-sufficiency as a matter of urgency.
How it should be achieved: A path of "soft technology" owned and controlled by New Zealanders; caution in accepting capital-intensive "hard" technology owned and controlled by international cartels and their subsidiaries; gas as an imported liquid fuel substitute; coal for domestic use rather than export; ethanol production from biomass on a rural base; hydro power for local use rather than large energy-hungry projects.
Where the resources will come from: Variety of financial incentives, such as suspensory loans for gorges installing CNG facilities, abolition of duty/sales tax on gas appliances and motor vehicle conversion equipment; grants for development of new, renewable methods of electricity production; incentives for energy conservation; conversion of Ministry into an Energy Corporation with district energy authorities and ministerial local relocations.

SECONDARY INDUSTRY
Aim of policy: To halt growing trend toward overseas control.
How it should be achieved: Establishment of industries based on New Zealand's own resources; expansion of industrial research; adequate imports of necessary raw materials; development of greater co-operation between workers and management.
Where the resources will come from: Establishment of assured markets for exports; tax incentives.

SMALL BUSINESS
Aim of policy: To create an economic climate in which small business, individual and family enterprises would prosper with an increase in productivity and exports.
How it should be achieved: Company tax reduced by taking on graduated scales; more investment finance available where Government policy is balancing its budget rather than internal borrowing; general reductions of loan interest rates would make new ventures competitive.

UNEMPLOYMENT
Aim of policy: To make plenty of jobs available; everyone has a right to a job.
How it should be achieved: Increased production generally; boosted primary production; available development money for companies; environment in which small and medium businesses can survive and expand; development of new import substitution industries; after reducing primary production; after that usual unemployment benefit unless reasonable job refused; retention of special work schemes.
In the longer term advantage to be taken of silicon chip technology to learn tedious jobs and move to shorter working week; promotion of job-sharing.

INDUSTRIAL RELATIONS
Aim of policy: Reform based on responsibility, co-operation, reason and justice.
How it should be achieved: Worker shareholding/participation with share purchases subsidised through low-interest loans paid back from dividends; industrial relations code; nationwide contractual control between employers/unions; industrial unions for workers in related industries; industrial councils at the place of work; job-sharing; margins for skills, staggering of annual holidays.

REGIONAL DEVELOPMENT
Aim of policy: Development at a regional level to stem move to the cities and from South to North; support local low-capital, high-content industries preferably based on local resources.
How it should be achieved: Companies encouraged/assisted in establishment of industry in smaller centres with maximum number of local shareholders; coal utilisation; plants in West Coast and Southland to develop further processing (log dyers, fertilisers, petroleum products) for local use; biomass development; upgrading of rail system; North-South ferry link improved by worker participation schemes on ferries.
Where the resources will come from: Subsidised transport costs; discounted electricity prices for South Island users.

LOCAL GOVERNMENT
Aim of policy: To enable people to have control over/participate in their own affairs.

How it should be achieved: Decentralised government, ward representation; greater public input into town planning; boost of local industry; urban renewal; composting of sewage wastes; financial incentives by councillors.
Where the resources will come from: Loans for basic community amenities at administrative charge only after Local Authorities Loan Board approval; investigation of citizens' tax, revenue-sharing, rating systems.

TRANSPORT
Aim of policy: Integration of the industry.
How it should be achieved: Railways formed into corporation and merged; research into urban rail services and integration of bus and rail services; abolition of road user charges; encouragement of other haul rail link systems; reintroduction of Lyttelton ferry; "iron bridge" concept for Plover ferry; development of coastal shipping; private feeder air services.

TOURISM
Aim of policy: Expansion of the industry.
How it should be achieved: Preserve natural scenic beauty; planning and promotional incentives to expand facilities; encouragement of private development of tourist facilities; freeing-up of aviation system support for sporting groups opposed to takeovers of sporting rights in national parks.

PARLIAMENTS
Aim of policy: To break down system of old party voting and bring the decision-making process back to Parliament.
How it should be achieved: Third party holding the "balance of responsibility"; Government would need support of at least one of the other two parties to pass its measures; only voters of a government should be able to force a vote of confidence or if it cannot obtain the majority it needs from Parliament, Government will not vote in a way which would force a government to resign.

The electorates

From Page 31

1976 RESULT: National, 11,832; Labour, 3837; Values, 2665; Social Credit, 687.
1978 RESULT: National, 9511; Labour, 3740; Social Credit, 2062; Values, 683; Other, 683.

PARTY LOYALTIES: One of the bluest of the blue, Romura attracts interest only when there is a challenge for the National nomination as there was last year. Labour's weakness here helped Values to a high vote in 1975 and 1976 and anti-Moussion may keep it high this time but Allan Hight will be back in the House.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 3.7% from National to Labour
Swing needed for Labour to take seat: 21.8%

18. Tamaki

ELECTORATE THUMBNAIL: Middle to upper income suburbs, gradually becoming more so.

CANDIDATES: National, Robert Muldoon, MP, Prime Minister, Minister of Finance, 60, former accountant; Labour, Richard Northey, 36, youth advocacy officer; Social Credit, David Stevens, 37, airline manager; Socialist Unity Party, Bill Anderson, 58, union official.

1976 RESULT: National, 12,758; Labour, 6232; Values, 1448; Social Credit, 798.
1978 RESULT: National, 11,814; Labour, 5504; Social Credit, 2380; Values, 781.

PARTY LOYALTIES: Opponents of the Prime Minister once tried to upset the vote by changing their name to the same as his and nominating for the seat. Some gimmick like that is the only possibility of beating him.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 2.7% from National to Labour
Swing needed for Labour to take seat: 18.3%

19. Pakuranga

ELECTORATE THUMBNAIL: Upwardly mobile fast-growing suburbs for young executives with a taste for more than they can afford. Some established high income areas.

CANDIDATES: National, Pat Hunt, MP, 50, former engineer; Labour, Peter Limer, 43, teacher; Social Credit, Neil Morrison, 42, grocer.

1976 RESULT: National, 9588; Labour, 4878; Values, 899; Social Credit, 785.
1978 RESULT: National, 7815; Labour, 5504; Independent National, 425; Social Credit, 2918; Values, 269.

PARTY LOYALTIES: One of the most turbulent seats in Auckland. Hunt moved from National MP Gavin Downie in 1978, prompting Downie to run as an independent with conspicuous success. As in East Coast Bays, more votes are wild cards in an unpredictable dark. Labour appears to have lost ground heavily and Social Credit to have gained even more heavily, raising National fears and Social Credit hopes of "doing an East Coast Bays", a seat which in population profile has much in common with Pakuranga.

CLASSIFICATION: Fairly safe National
Two-party swing 1975-78: 8.2% from National to Social Credit
Swing needed for Labour to take seat: 8.1%
Swing needed for Social Credit to take seat: 22.3%

20. Hunua

ELECTORATE THUMBNAIL: Very mixed area with Polynesian state housing in Otara in the northwest, executive Howick in the northeast and a large rural area of dairy, horse stud breeding, cattle and sheep.

CANDIDATES: National, Winston Peters, MP, 35, former lawyer; Labour, Con Moye, 50, teacher, farmer and former Cabinet minister; Social Credit, Geoff Moss, 64, farmer; independent National, Ian Sampson, 41, taxi driver, contractor, company director.

1976 RESULT: National, 7433; Labour, 5388; Social Credit, 902; Values, 771.
1978 RESULT: National, 7607; Labour, 7315; Social Credit, 2346; Values, 268.

PARTY LOYALTIES: They do not come much more marginal. Hunua went Labour on election night in 1978 and was awarded to National only after a challenge before the Electoral Court. Peters organised smoothly to get his nomination in 1978 and will put former Labour Agriculture Minister and defeated 1978 Whangarei candidate Moye to the test. Spillover from the existence of a number of "mini-Pakurungas" along the eastern coastline boundary through additional unknowns into a seat which otherwise should be Labour's on the slightest nationwide swing. The Independent National candidacy of Sampson could hurt Peters in a close finish.

CLASSIFICATION: Highly marginal National
Two-party swing 1975-78: 7.3% from National to Labour
Swing needed for Labour to take seat: 0.7%

21. Otahuhu

ELECTORATE THUMBNAIL: Established lower income suburbs including industrial areas of Te Papa and a few streets from the northern side of the Tāmaki river and Glen Innes.

CANDIDATES: Labour, Bob Tizard, MP, shadow minister of energy, 57, former teacher; National, Stewart McDowell, 27, teacher; Social Credit, Ken Harris, 60, businessman; Socialist Unity Party, Elie Ayo, 66, retired.

1976 RESULT: Labour, 8812; National, 6283; Social Credit, 1051; Values, 858.
1978 RESULT: Labour, 8896; National, 4134; Social Credit, 2298; Values, 238; Other, 23.

PARTY LOYALTIES: Tizard can look forward to another three years in Parliament, whatever happens elsewhere.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 5.8% from National to Labour
Swing needed for National to take seat: 18.3%

22. Mangere

ELECTORATE THUMBNAIL: Overwhelmingly lower income state housing.

CANDIDATES: Labour, David Lange, MP, deputy leader of the Opposition, former minister of regional development and foreign affairs, 39, dentist; National, David Perry, 39, company director; Social Credit, John Peck, 57, nurseryman.

1976 RESULT: Labour, 6848; National, 3592; Social Credit, 681; Values, 623.
1978 RESULT: Labour, 8104; National, 2841; Social Credit, 1889; Values, 154.

PARTY LOYALTIES: Lange would find it easier to go through than any other seat in the Mangere. Biggest swing to Labour in 1978: 18.3%.

ELECTION WATCH '81

CANDIDATES: Labour, Roger Douglas, MP, shadow minister of trade and industry, 44, former accountant, company secretary; National, Kevin Ralph, 30, builder; Social Credit, Paul Norman, 38, health food shop proprietor; Values, Ron McMillan, 39, draughtman.

1976 RESULT: National, 6848; Labour, 6499; Social Credit, 823; Values, 686.
1978 RESULT: Labour, 8449; National, 5982; Social Credit, 3079; Values, 224; Other, 87.

PARTY LOYALTIES: Douglas refuses to toe anyone's line and roams the electoral benefit. Marginal in 1978, Manurewa is well outside that class this time.

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 9.9% from National to Labour
Swing needed for National to take seat: 8.6%

25. Papakura

ELECTORATE THUMBNAIL: Mixed suburban and rural seat reaching from the southern tip of Manurewa through Takanini, Papakura city, Ramarama and west to Waiuku. Includes many small holdings, some racing/tables.

CANDIDATES: National, Marvyn Wallington, MP, Minister of Education, 40, former teacher; Labour, Eric Anderson, 33, teacher; Social Credit, John Cheeseman, 41, teacher.

1976 RESULT: National, 8775; Labour, 4341; Social Credit, 1201; Values, 767.
1978 RESULT: National, 8881; Labour, 4959; Social Credit, 3401; Values, 187.

PARTY LOYALTIES: Wallington won old Manurewa off Labour Education Minister Phil Amos in 1976 and built himself into the new seat with hard graft and minute attention to local detail. A mixed reputation as Minister of Education should not affect his security. If he goes, so will a lot of others.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 3.6% from National to Labour
Swing needed for Labour to take seat: 13.4%



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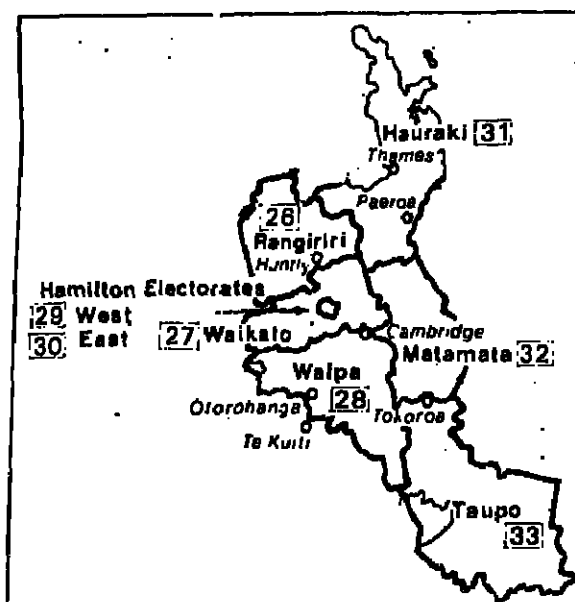
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ELECTION WATCH '81

Waikato

MOST of this area, affluent but characterised by small holdings, is infected with the Social Credit virus and in many seats the fight is between National, which holds all seats except Taupo in the region, and Social Credit. Social Credit's best hope is Hauraki, where fears over state and foreign mining plans may swell its votes.

There is strong Social Credit support, too, in Matamata and, more latterly, in Rangiriri. Labour hopes for, but since 1946 has only once held, Hamilton and may be under pressure from National (with Social Credit help) in Tokoroa, the key to its grip in Taupo. Watch Waipa, where maverick National MP Marilyn Waring may be assembling an unusual voting coalition.



26. Rangiriri

ELECTORATE THUMBNAIL: Rural electorate but includes mining and power station construction town of Huntly. Stretches from Pukekohe to Ngaruawahia taking in the whole of the Waikato valley to Ngaruawahia. Dairy and sheep farming plus large horticultural area around Pukekohe. Also horses and stud breeding area.

CANDIDATES: National, Bill Birch, MP, Minister of Energy, 47, former surveyor; Labour, Dr Roy Haywood, 42, medical practitioner; Social Credit, Ron Gibbard, 50, farm dairy instructor.

1976 RESULT: National, 8438; Labour, 4998; Social Credit, 1400; Values, 812.

1978 RESULT: National, 7934; Labour, 5666; Social Credit, 2824; Values, 238.

PARTY LOYALTIES: At No 4 in the Cabinet, Birch is well-placed for success also to the deputy leadership or higher. Social Credit has put this seat in its top priority category, but it would take a huge 23.8 per cent swing for Social Credit to topple him.

CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 4.4% from National to Labour

Swing needed for Labour to take seat: 8.4%

27. Waikato

ELECTORATE THUMBNAIL: Once rural electorate contracting on Hamilton, now dividing half and half between better-housed northern Hamilton and surrounding dairy farming and stud country. Stretches from Cambridge in the east across to the west coast and north to Taupiri.

CANDIDATES: National, Simon Upton, 23, market gardener; Labour, Graham Smith, 48, teacher; Social Credit, Noel Johnstone, 47, farmer; Socialist Unity Party, Sonya Perrett, 38, clerical worker.

1976 RESULT: National, 10,023; Labour, 4380; Social Credit, 1782; Values, 879.

1978 RESULT: National, 9248; Labour, 4186; Social Credit, 3898; Values, 389.

PARTY LOYALTIES: Rhodes scholar, son of a farming family and highly regarded (by his elders) as Young National's chairman, Upton's worries are confined to Social Credit. If Social Credit got 30 per cent of the vote nationwide, Upton could be in trouble, but otherwise he can look forward to becoming one of the youngest ever MPs, keeping up with fellow Waikato MP Marilyn Waring.

CLASSIFICATION: Safe National

Two-party swing 1976-78: 0.8% from National to Labour

Swing needed for Labour to take seat: 18.9%

Swing needed for Social Credit to take seat: 20.4%

28. Waipa

ELECTORATE THUMBNAIL: Rural electorate extending in the north from Raglan harbour to Otorohanga county in the south, sweeping almost to Lake Taupo and Whakamaru township. Includes urban areas of Cambridge, Te Awamutu and Otorohanga. Sheep and dairy farming area.

CANDIDATES: National, Marilyn Waring, MP, 29, former research officer; Social Credit, John Kilbride, 36, dairy farmer; Labour, Peter Trim, 44, school principal.

1976 RESULT: National, 10,495; Labour, 4208; Social Credit, 1875; Values, 496.

1978 RESULT: National, 9380; Social Credit, 4454; Labour, 3809; Values, 223.

PARTY LOYALTIES: Liberal, at times radical, feminist Waring is an anomaly in conservative rural Waikato, but has won the loyalty and respect of her party organisation and probably a strong personal following among voters that will help keep Social Credit at bay by denying the league big pickings among Labour-leaning women. But her outspoken unorthodoxy has also made her enemies. Still, if Waipa goes, it will mean a Social Credit high tide in the House.

CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 0.3% from National to Labour

Swing needed for Labour to take seat: 21.1%

Swing needed for Social Credit to take seat: 17.8%

29. Hamilton West

ELECTORATE THUMBNAIL: Centred on working-class Frankton but taking in also significant middle to upper income areas.

CANDIDATES: National, Michael Mingo, MP, 56, former solicitor; Labour, Patrick McCaffrey, 33, union organiser; Social Credit, Trevor Crosbie, 37, electrician; Apolitical, R T Stone.

1976 RESULT: National, 8372; Labour, 8885; Social Credit, 1684; Values, 528.

1978 RESULT: National, 8101; Labour, 7095; Social Credit, 3222; Values, 286; Other, 86.

PARTY LOYALTIES: McCaffrey and his campaign team are running one of Labour's most sophisticated and well-funded campaigns. McCaffrey's prominence in the Huntly power station dispute earlier this year and anti-protest reaction when the Springbok game was called off will tell against him. So will the popularity of former mayor Mingo, whose refusal to toe the party line in public makes him a valuable rarity in New Zealand's tight-caucus politics. Don't forget Social Credit here either. It was a respectable third last time.

CLASSIFICATION: Marginal National

Two-party swing 1976-78: 1.8% from National to Labour

Swing needed for Labour to take seat: 3.4%

30. Hamilton East

ELECTORATE THUMBNAIL: The better side of the river, with much middle to upper income housing but also substantial state housing.

CANDIDATES: National, Dr Ian Shearer, MP, Minister for the Environment, 38, former research scientist; Labour, Lois Welch, 40, librarian; Social Credit, Lorna Booth, 52, social worker.

1976 RESULT: National, 8141; Labour, 7220; Social Credit, 1800; Values, 717.

1978 RESULT: National, 8352; Labour, 8991; Social Credit, 3859; Values, 389; Other, 38.

PARTY LOYALTIES: Was one of those surprise Labour wins in 1972, but it would take an even bigger landslide to get it this time, despite an enthusiastic Labour campaign. Shearer has developed fast as a minister prepared to tackle the big guys and win on environmental issues and will not easily be shifted. Social Credit may also do well.

CLASSIFICATION: Marginal National

Two-party swing 1976-78: 1.4% from National to Labour

Swing needed for Labour to take seat: 4.6%

31. Hauraki

ELECTORATE THUMBNAIL: Mainly dairy farming rural electorate with sheep farming and tourism and potential for mining on the Coromandel Peninsula. Includes towns of Thames, Te Aroha and Paeroa and broad expanse of Hauraki Plains.

CANDIDATES: National, Graeme Lee, 45, company director; Social Credit, Gordon Miller, 50, farmer; Labour, Carl Jensen, 32, geologist.

1976 RESULT: National, 9180; Labour, 4458; Social Credit, 2097; Values, 728.

1978 RESULT: National, 8022; Social Credit, 6003; Labour, 3888; Values, 390.

PARTY LOYALTIES: Furore over foreign companies' mining plans and the Government's apparent sympathy for them have played into Social Credit's already outstretched hands and made Hauraki one of the top targets for a gain. Even National strategists acknowledge this could go green, though they have become more confident of late. A low-profile Labour candidate and maverick Labour support helps Social Credit. Miller is already talking like the next MP and might be if Social Credit gets more than 20 per cent nationwide.

CLASSIFICATION: Marginal National

Two-party swing 1976-78: 24.2% from National to Social Credit

Swing needed for Social Credit to take seat: 7.2%

32. Matamata

ELECTORATE THUMBNAIL: Predominantly rural electorate containing dairy and some sheep farming with three towns of Morrinsville, Patetua and Matamata.

CANDIDATES: National, Jack Luxton, MP, 58, former dairy farmer; Social Credit, David Mawdsley, 34, electrical contractor; Labour, John Heller, 54, farmer.

1976 RESULT: National, 10,060; Labour, 3819; Social Credit, 2152; Values, 421.

1978 RESULT: National, 8731; Social Credit, 4324; Labour, 3010; Values, 214.

PARTY LOYALTIES: Another of the Waikato National seats in the Social Credit gun, the Labour vote having been weak there since the mid-1960s with the single exception of 1975 when Helen Clark ran. Any Social Credit vote above 28 per cent nationwide will put this seat at risk.

CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 15.5% from National to Social Credit

Swing needed for Social Credit to take seat: 18.8%

33. Taupo

ELECTORATE THUMBNAIL: Odd electorate divided roughly equally between the working class timber town of Tokoroa and upper class retirement haven of Taupo. A small element of sheep and dairy farming.

CANDIDATES: Labour, Jack Ridley, MP, associate shadow minister of works and energy, 62, former engineer; National, Roger McLeay, 35, school principal; Social Credit, James Elder, 43, pharmacist.

1976 RESULT: National, 7117; Labour, 6878; Social Credit, 1005; Values, 778.

1978 RESULT: Labour, 7119; National, 6510; Social Credit, 2788; Values, 477.

PARTY LOYALTIES: The seesaw in this finely balanced seat has followed the swing since 1969. Any significant move towards National in the country as a whole could put Taupo back in that camp, and that possibility could be enhanced by a tendency among better-off manual workers — such as are to be found at the Kiriwhiti mill which employs Tokoroa — to daily with Social Credit — and National. For that reason, too, Social Credit would be with a chance if it got more than 30 per cent nationwide. On the other side of the ledger, Ridley, though a professional engineer, is in the unenviable, traditional mould of Labour MP.

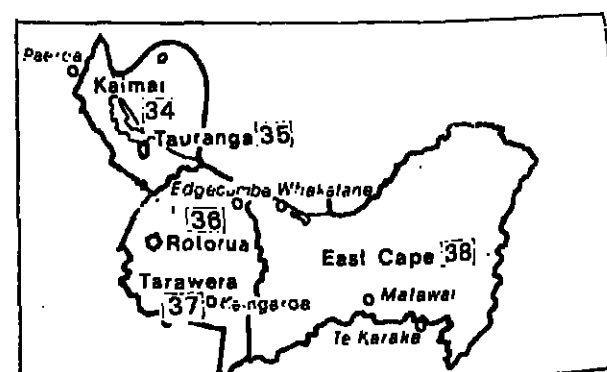
CLASSIFICATION: Marginal Labour

Two-party swing 1976-78: 3.8% from National to Labour

Swing needed for National to take seat: 2.3%

Bay of Plenty

LIKE Waikato, affluent and with many small holdings, the western area is a battleground between National and Social Credit. Watch particularly Kaimai and Tauranga (where Social Credit's second last time was not expected by anyone). Rotorua has survived all Labour assaults since 1960. Watch East Cape, where residues of the Fitzgerald affair linger on to Deputy Prime Minister Duncan MacIntyre's disadvantage.



34. Kaimai

ELECTORATE THUMBNAIL: Follows the Kaimai range at the northern end to Te Puke in the south. Major towns are Waikanae in the north and Te Puke in the south. Mainly dairy, sheep farming and horticulture with some forestry.

CANDIDATES: National, Bruce Townshend, MP, 48, former farmer; Social Credit, Doug Conway, 43, insurance agent; Labour, Leo Mangau, 47, orchardist; Values, Jon Mayson, joint leader, 38, harbour pilot; Independent, C B Watt.

1976 RESULT: National, 8598; Labour, 4788; Social Credit, 1688; Values, 750.

1978 RESULT: National, 8457; Social Credit, 4981; Labour, 4621; Values, 540.

PARTY LOYALTIES: Mining considerations similar to those in Hauraki put this seat at risk to Social Credit with more than 25 per cent of the vote nationwide. But rapidly rising affluence based on conversion of land to horticulture should help National's solid Townshend, as should a vigorous Labour campaign which might halt the slide towards Social Credit.

CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 19.2% from National to Social Credit

Swing needed for Social Credit to take seat: 13.0%

35. Tauranga

ELECTORATE THUMBNAIL: Provincial city electorate comprising Tauranga city and parts of Mount Maungenui. Many retired middle and upper income families. Strong tourist industry and rapidly developing port and commercial area. Commerce to support surrounding farming and forestry.

CANDIDATES: National, Keith Allen, MP, Undersecretary of Trade and Industry, 47, former accountant; Social Credit, Paul Hills, 54, newspaper editor; Labour, Graham Fryer, 27, union organiser; Values, Carolyn West, 31, single parent.

1976 RESULT: National, 9541; Labour, 5078; Social Credit, 2251; Values, 784.

1978 RESULT: National, 8924; Social Credit, 8808; Labour, 4896; Values, 433.

PARTY LOYALTIES: The hottest provincial city has been a hot National seat since 1969. Social Credit's second in 1978 puts it within striking distance if it gets more than 28 per cent of the vote nationwide and Labour pick-up shedding votes. But a thriving horticulture should help Allen.

CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 18.9% from National to Social Credit

Swing needed for Social Credit to take seat: 14.4%

The electorates

36. Rotorua

ELECTORATE THUMBNAIL: Provincial city electorate wholly comprising Rotorua. Primary income based on tourism. Contains many self-employed and retired people.

CANDIDATES: National, Paul East, MP, 34, former lawyer; Labour, John Lepper, 51, carriage contractor; Social Credit, John Doal, 33, restaurateur.

1976 RESULT: National, 8370; Labour, 5837; Social Credit, 1193; Values, 828.

1978 RESULT: National, 7128; Labour, 6108; Social Credit, 2885; Values, 321.

PARTY LOYALTIES: Skilful, articulate and affable, if a trifle dilettante, East is favoured to outflank his conservative Labour opponent and continue Rotorua's 20-year National tenure — upheld even through the 1972 landslide. Lepper is widely known in the electorate but was not universally welcomed in the Labour Party which may mean his organisation is less enthusiastic than it might be. Still, a 1972-type swing to Labour this time could well put Rotorua back with Labour, where it was until 1960.

CLASSIFICATION: Marginal National

Two-party swing 1976-78: 4.7% from National to Labour

Swing needed for Labour to take seat: 3.9%

37. Tararua

ELECTORATE THUMBNAIL: Stretches from Te Puke in the north to Gisborne in the south and west from Maramakau ranges across to and including Kawerau. Embraces the rural fringe of Rotorua including Ngongotaha. Includes dairy and sheep farming, forestry and tourism.

CANDIDATES: National, Ian McLean, MP, 47, former economist; Labour, Noel Scott, 51, tutor; Social Credit, Cedric Blymire, 46, farmer.

1976 RESULT: National, 7683; Labour, 4931; Social Credit, 1253; Values, 748.

1978 RESULT: National, 7073; Labour, 5051; Social Credit, 3836; Values, 304.

PARTY LOYALTIES: McLean is widely regarded as the best of the 1978 crop of new National MPs. Despite a vigorous Labour campaign for the first time in this area for many years, and a prominent Social Credit candidate (Blymire is the son of an old Social Credit identity and is spokesman on agriculture) McLean should not be troubled.

CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 2.5% from National to Labour

Swing needed for Labour to take seat: 8.4%

Swing needed for Social Credit to take seat: 16.1%

38. East Cape

ELECTORATE THUMBNAIL: Electorate contains Whakatane and Gisborne city north of the Waikato river. Dairy and sheep farming areas plus significant forestry areas.

CANDIDATES: National, Duncan MacIntyre, MP, deputy Prime Minister, Minister of Agriculture, 55, former farmer; Labour, Peter Day, 39, teacher; Social Credit, Mike Robinson, 50, farmer; Values, Dudley Kelly, 63, retired high school principal.

1976 RESULT: National, 8339; Labour, 5155; Social Credit, 1035; Values, 699.

1978 RESULT: National, 7868; Labour, 5335; Social Credit, 2888; Values, 437.

PARTY LOYALTIES: MacIntyre's role in the marginal lands loans affair still lingers quietly in the valleys and may dent his majority. But fading memories and a big majority should help him over that hump. So should the difficulty of other Labour — rooted in Gisborne and Whakatane — or Social Credit — rooted in the countryside — clearly establishing which party should be the one to gather the lion's share of the anti-Government votes.

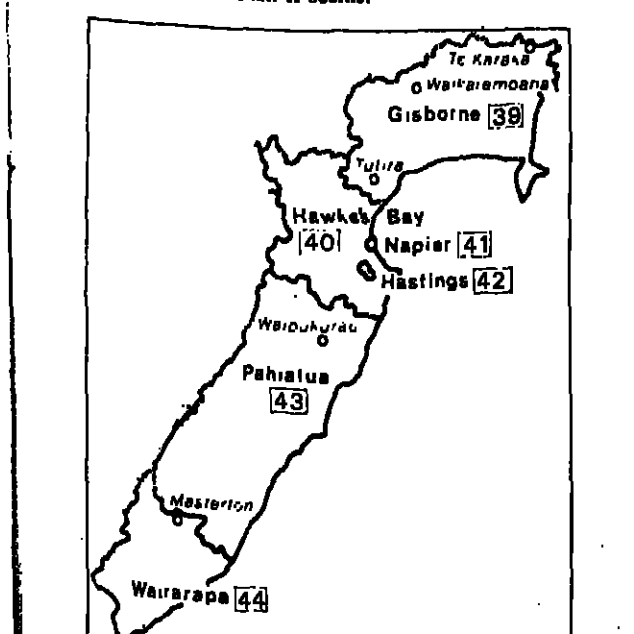
CLASSIFICATION: Fairly safe National

Two-party swing 1976-78: 2.2% from National to Labour

Swing needed for Labour to take seat: 9.6%

East Coast, North Island

HIGHLY marginal Gisborne needs less than a 1 per cent swing to fall to Labour and so bears close watching. A recession of the Social Credit tide in Hastings in the wake of the retirement of former deputy leader Jeremy Dwyer could help National there. Wairarapa swung to Labour less than the nationwide swing in 1978 and would probably do so again, making it a more difficult seat for Labour to win than it seems.



39. Gisborne

ELECTORATE THUMBNAIL: All of Gisborne city south of the river down to and including the township of Waioa. Rural areas mainly sheep, horticultural and vineyards.

CANDIDATES: National, Robert Bell, MP, 50, former valuer; Labour, Allan Watt, 44, stock buyer; Social Credit, Harry Smith, 48, farmer; Values, Gavin Maclean, 34, farmer, singing teacher.

1976 RESULT: National, 8800; Labour, 7334; Social Credit, 1186; Values, 628.

1978 RESULT: National, 7831; Labour, 7418; Social Credit, 2388; Values, 370.

ELECTION WATCH '81

41. Napier

ELECTORATE THUMBNAIL: Provincial city electorate comprising Napier, but excluding Greenmeadows area. Significant areas of state housing and industrial concentrations.

CANDIDATES: Labour, Geoffrey Braybrooke, 46, sales rep; National, Kevin Rose, 38, real estate salesman; Social Credit, Martin Hine, 26, lawyer.

1976 RESULT: Labour, 8677; National, 7741; Social Credit, 1680; Values, 1000.

1978 RESULT: Labour, 9987; National, 7080; Social Credit, 2884; Values, 388.

PARTY LOYALTIES: With the single exception of the Parliament elected after the 1961 waterfront dispute, Napier has been Labour for decades and is likely to remain so for some time yet. But Auckland Importer Braybrooke is not to everybody's liking in the Labour Party in this parochial town and this may push some votes to National and Social Credit.

CLASSIFICATION: Fairly safe Labour

Two-party swing 1976-78: 6.7% from National to Labour

Swing needed for National to take seat: 8.8%

42. Hastings

ELECTORATE THUMBNAIL: A predominantly urban seat with a small rural component. Comprises Hastings city, Havelock North and the rural land between the two. Hastings more progressive than Napier and services a prosperous rural community.

CANDIDATES: Labour, David Butcher, MP, shadow minister of employment and industry, 32, former economist; National, Hamish Kynoch, 37, farmer; Social Credit, Gary Clover, 32, teacher; Independent, A J Wedekind.

1976 RESULT: National, 8071; Labour, 8580; Social Credit, 1788; Values, 687.

1978 RESULT: Labour, 7748; National, 7414; Social Credit, 5373; Values, 148; Other, 20.



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ELECTION WATCH '81

PARTY LOYALTIES: Hastings has snowed between the two main parties over the past three decades, resting uncertainly with Labour in 1978 after a late swing and with maybe some help from Social Credit. Social Credit did exceptionally well here for a seat that is well outside the Social Credit belt in the northern North Island, a performance that probably owed a bit to the personable deputy leader Jeremy Dwyer. Dwyer's sudden resignation from all positions in public life is likely to return Hastings to a more traditional two-party fight — but where Dwyer's votes go makes predictions particularly difficult.

CLASSIFICATION: Marginal Labour
Two-party swing 1975-78: 2.5% from National to Social Credit
25.6% from National to Social Credit
23.7% from Labour to Social Credit
Swing needed for National to take seat: 1.1%
Swing needed for Social Credit to take seat: 9.1%

43. Pahiatua

ELECTORATE THUMBNAIL: Rural sheep and dairy electorate stretching from north of Waipukurau almost to Masterton in the south. Western boundary runs along the Tararua and Ruahine ranges. Includes towns of Waipukurau, Woodville and Pahiatua.

CANDIDATES: National, John Falloon, MP, 39, former farmer; Labour, Bill Sutton, 37, scientist; Social Credit, Keith Addie, 59, farmer; Independent, Tim Wyn-Harris, 48, farmer.

1975 RESULT: National, 11,511; Labour, 4,200; Social Credit, 1,702; Values, 624.
1978 RESULT: National, 10,971; Labour, 4,296; Social Credit, 2,898; Values, 394.

PARTY LOYALTIES: Has elected National seat, with minimal presence of either Labour or Social Credit.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 1.4% from National to Labour
Swing needed for Labour to take seat: 21.9%

44. Wairarapa

ELECTORATE THUMBNAIL: Sheep, dairy and fruit farming area. Area has been troubled by floods in recent months. Not a rapidly developing electorate. Urban population consists of four small towns of Featherston, Greytown, Martinborough and Carterton and the larger town of Masterton.

CANDIDATES: National, Ron Couch, MP, Minister of Police and Maori Affairs, 59, former contractor; Labour, Tom Gammell, 39, teacher; Social Credit, Wally Cowi, 46, transport operator.

1975 RESULT: National, 9,245; Labour, 7,777; Social Credit, 1,167; Values, 514.
1978 RESULT: National, 8,868; Labour, 8,131; Social Credit, 2,426; Values, 268.

PARTY LOYALTIES: Wairarapa has been more National than Labour over the past 30 years and in 1978 easily survived a nationwide swing against the Government which should have put it in the Labour bag. Differences over the Labour candidate give little hope to Labourites and little fear to Nationalists that highly popular Couch can be shifted.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 1.9% from National to Labour
Swing needed for Labour to take seat: 2.8%

The electorate

West Coast, North Island

NEW Plymouth has proved something of a bell-wether in the past three elections and may do so again. Highly marginal, it may be a little less vulnerable to Labour in reality than it appears on paper. Rural seats from King Country to Manawatu have a strong Social Credit presence, delivering up to the league one seat (Rangitikei), two seconds (Taranaki and Waitotara) and one near-second (King Country).

National is dead keen to retake Rangitikei and has assembled a first-class organisation. But it is under pressure itself in all four other rural seats mentioned, particularly in King Country and Taranaki. Manawatu may be vulnerable to either Social Credit or Labour, depending on the nature of the election overall. In the south Horowhenua may be less vulnerable to the Labour challenge than the paper majority suggests. Labour's two town seats are safe.

45. King Country

ELECTORATE THUMBNAIL: Rural electorate and one of the largest in the North Island, includes towns of Te Kuiti in the north, Taumaranui, Ohakune, Waioiru. Dairy, sheep farming, forestry and vegetable farming.

The electorate

CANDIDATES: National, Jim Bolger, MP, Minister of Labour, 44, former farmer; Labour, Patricia Tuhoro, 35, chiropractor; Social Credit, David Mason, 49, farmer, businessman.

1975 RESULT: National, 7,887; Labour, 4,324; Social Credit, 2,410; Values, 508.
1978 RESULT: National, 6,804; Labour, 4,034; Social Credit, 3,997; Values, 409.

PARTY LOYALTIES: Should be safely National, but Social Credit managed a big upswing in 1978 to nearly replace Labour from second place and a big Social Credit swing nationwide would put Bolger at risk.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 1.8% from National to Labour
Swing needed for Labour to take seat: 12.8%
Swing needed for Social Credit to take seat: 13.0%

46. Taranaki

ELECTORATE THUMBNAIL: Rural electorate stretching from Waitara in the north almost to Hawera in the south. Dairy country, linking in between areas such as Eltham, and Inglewood. Some sheep farming. Some tourism.

CANDIDATES: National, David Thomson, MP, Minister of Defence, 43, former farmer; Social Credit, Brian Horlthy, 41, farmer; Labour, Freda White, 61, teacher; Values, Rosalee Steward, 20, mechanic, housewife.

1975 RESULT: National, 9,580; Labour, 4,212; Social Credit, 2,257; Values, 723.
1978 RESULT: National, 8,868; Social Credit, 4,395; Labour, 4,351; Values, 484.

PARTY LOYALTIES: Taranaki has been a Social Credit stronghold since the 1940s. National looks to the energy developments to give it a secure Government. National looks to the energy developments to give it a secure Government. National looks to the energy developments to give it a secure Government.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 1.3% from Labour to Social Credit
Swing needed for Social Credit to take seat: 17.2%

47. New Plymouth

ELECTORATE THUMBNAIL: Provincial city electorate, servicing wealthy dairy area. Rapidly developing since the Maori land began production. Prospect of petrochemical developments.

CANDIDATES: National, Tony Fradette, MP, Government chief whip, 37, former farm appraiser; Labour, Dennis Duggan, 48, field officer for Intellectually Handicapped Children's Society; Social Credit, George McPeak, 61, insurance manager; Values, Janet Robb, joint leader, 39, housewife.

1975 RESULT: National, 10,328; Labour, 5,234; Social Credit, 3,452; Values, 502.
1978 RESULT: National, 9,133; Social Credit, 5,024; Labour, 4,728; Values, 281.

PARTY LOYALTIES: A knife-edge seat which Labour must win if it is to be a secure Government. National looks to the energy developments to give it a secure Government. National looks to the energy developments to give it a secure Government. National looks to the energy developments to give it a secure Government.

ELECTION WATCH '81

CLASSIFICATION: Highly marginal National
Two-party swing 1975-78: 4.7% from National to Labour
Swing needed for Labour to take seat: 0.4%

48. Waitotara

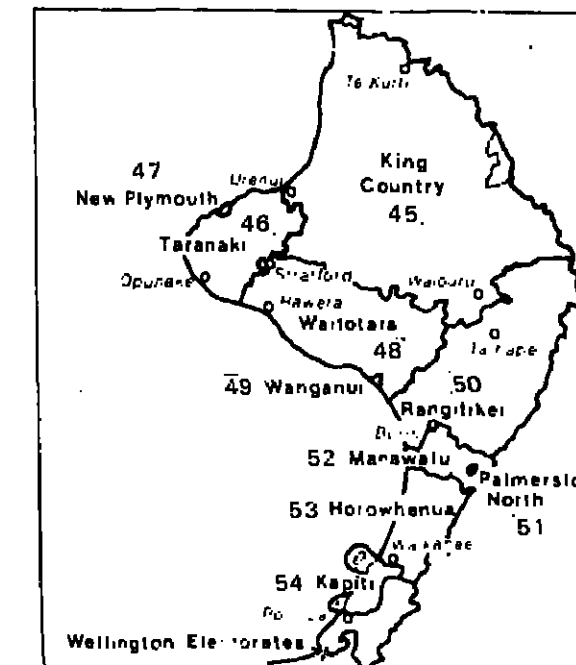
ELECTORATE THUMBNAIL: Rural sheep and dairy farming electorate extending from Hawera round Wanganui to the Whangape river.

CANDIDATES: National, Venn Young, MP, Minister of Lands, 52, former farmer; Social Credit, Sam Gray, 48, farmer; Labour, John Ferrie, 34, teacher; Values, Alan Fairweather, 31, sharemilker.

1975 RESULT: National, 10,328; Labour, 5,234; Social Credit, 3,452; Values, 502.
1978 RESULT: National, 9,133; Social Credit, 5,024; Labour, 4,728; Values, 281.

PARTY LOYALTIES: Young's part in the marginal lands affair may count against him and Social Credit has been very active in an area where it has had a strong presence since the 1960s. An improved National organisation in the area of the marginal lands affair should help Young but if the Government gets out of the area Waitotara will probably fall to Labour.

CLASSIFICATION: Fairly safe National
Two-party swing 1975-78: 10.4% from National to Social Credit
Swing needed for Social Credit to take seat: 14.6%



49. Wanganui

ELECTORATE THUMBNAIL: Provincial city electorate servicing surrounding farming area. Considered something of a depressed city.

CANDIDATES: Labour, Russell Marshall, MP, shadow minister of education, 45, former minister of religion; National, Jennifer Tolhurst, 52, craft shop owner; Social Credit, Terry Heffernan, 29, research officer.

1975 RESULT: Labour, 8,318; National, 8,079; Social Credit, 1,948; Values, 542.
1978 RESULT: Labour, 9,703; National, 8,801; Social Credit, 3,958; Values, 448; Other, 34.

PARTY LOYALTIES: Wanganui flirted with National between 1989 and 1972 but since Marshall took it back from Tolhurst's husband, Bill, it has again been solidly Labour. A 30 per cent plus Social Credit vote nationwide might put Marshall at risk to the league, which has always had a presence in the town. Will Social Credit come second anyway?

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 8.0% from National to Labour
Swing needed for National to take seat: 8.6%

50. Rangitikei

ELECTORATE THUMBNAIL: Rural electorate stretching from north of Tekepe south to Feilding. A rural electorate comprising sheep, cattle and some dairy farming.

CANDIDATES: Social Credit, Bruce Beetham, MP, 44, former teachers' college lecturer; National, Paul Bardwell, 40, manufacturers' advocate; Labour, Mark O'Connor, 23, student; Values, Dennis Hocking, 30, farmer, bio-chemist.

1975 RESULT: National, 8,865; Social Credit, 4,789; Labour, 4,315; Values, 489.
1978 RESULT: Social Credit, 10,559; National, 7,718; Labour, 1,490; Values, 291.

PARTY LOYALTIES: No gain would be sweeter to National's taste and it is pouring resources into the seat to try to get rid of Beetham. As the year has gone on and membership has risen and money come in, National strategists have grown increasingly hopeful of winning, but Beetham is no easy nut to crack.

CLASSIFICATION: Marginal Social Credit
Two-party swing 1975-78: 22.7% from National to Social Credit
Swing needed for National to take seat: 7.8%

51. Palmerston North

ELECTORATE THUMBNAIL: Provincial city electorate comprising about two thirds of Palmerston North city.

CANDIDATES: Labour, Trevor de Cleene, 48, lawyer; National, Brian Elwood, 47, lawyer; Social Credit, Jackie Lush, 32, housewife; Values, Herewini Kae, 42, Labourer.

1975 RESULT: National, 8,801; Labour, 8,659; Social Credit, 1,453; Values, 1,378.
1978 RESULT: Labour, 10,629; National, 7,893; Social Credit, 2,658; Values, 551; Other, 48.

PARTY LOYALTIES: The departure of Joe Wadding has given National hope of regaining a seat that has swung between the parties. De Cleene is not a strong candidate and Elwood is, but some problems in the National organisation (Elwood is a maverick like Mike Mingo) and the big majority Wadding left behind him suggest this seat will only go National if Labour is badly mauled nationwide.

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ELECTION WATCH '81

Sticking around as the swings come in

From Page 25

If a swing from National to Labour develops, the situation is complicated.

An even swing of 1 per cent countrywide would push seven seats from National to Labour, giving Labour 47 seats and an overall majority of two.

But be careful before you draw conclusions on such a fine margin.

In 1978 the nationwide swing calculated on all the votes cast was 5.0 per cent. If that had been evenly spread in all electorates, it would have given Labour 46 seats, one more than National's 45 (Social Credit got one).

But in safer Labour seats the swing was higher than 5.0 per cent and in marginal seats it was generally lower.

If this happens again on Saturday — and overseas experience suggests it may — then it may need more than a 1.0 per cent swing (say a 1.4 to 1.5 per cent swing) nationwide to push the seven seats Labour's way.

(In 1978 the mean swing was 4.3 per cent — that is the average of all the swings in individual seats. Applied to the marginal seats, this exactly indicated the number of National marginals that fell.)

A second warning arises out of the possibility that there may be unusual variations between individual seats.

There is nothing out of the ordinary in swing variation. In 1978 Mangere swung 14.9 per cent from National to Labour while Birkenhead swung 1.7 per cent from Labour to National.

The comforter for election watchers is that the variations tend to be much smaller in the marginals where the election is decided.

But if they are not this time, it may upset the predictability of the result from an early nationwide swing figure.

So build yourself in a safety margin. Only count on a Labour Government if the swing is above 2 per cent — in other words, if, say, Horowhenua falls (swing needed 2.2 per cent).

For good measure, keep an eye on Rangiora (a 3.2 per cent swing needed) and Whangarei (3.9 per cent).

If Clutha falls (4.5 per cent) you can pack up. There will be a Labour Government.

with Muldoon, and younger go-getting types who feel National has moved too slowly to free up the market.

The combination makes a whole swag of National seats particularly interesting.

This is particularly so in Auckland, both on the affluent central isthmus and on the North Shore.

So watch Eden, needing only a 2 per cent swing. Watch the

For good measure, watch the majority in Tāmaki.

But National is not alone with problems. Labour has been bleeding from its unprotected conservative right flank.

The anti-tour stand taken by Labour, coupled with the sympathetic stand by National towards tour-lovers, has helped widen the hole through which Labour votes have been escaping.

As for provincial town marginals, Gisborne, New Plymouth and Invercargill are all among the top seven of seats where a swing of less than 1 per cent would produce change.

If the tour really works for National there, it could be enough to deny Labour the Treasury benches.

Keep an eye also on three Labour-held seats where both anti-Muldoon and anti-Labour factors may operate:

The going gets harder after that. The next two targets, Bay of Islands and Hauraki, both need more than a 6 per cent swing.

If things really are going Social Credit's way — if it is getting that 10 per cent lift it hopes for — then seats like Matamata, King Country, Kaimai, Tauranga, Taranaki (where the failure of Minister of Defence David Thomson to retire may be a helping factor),

its role, for the moment mostly deleterious to Labour in votes.

Late stayers

And, in case you're still wide-eyed late on election night when the Maori seats come in, watch how Mana Motuhake goes against a Labour Party that seems to be losing its grip on the Maori vote.

Watch especially Eastern Maori, where Labour has a new — and thus vulnerable — candidate and Northern Maori, where Mat Rata is having another crack.

And for a possible similar slippage in the Polynesian vote, watch Richard Prebble's Labour majority in Auckland Central, where Cook Islander Dorice Reid is standing for National.

Organisation

It has become commonplace to insist that this time voters will pay more attention to the quality of the candidates.

To test that, seats to watch: ● Hamilton West, where maverick National MP Mike Minogue is pitted against a formidable Labour organisation backing a left-wing union candidate, Paddy McCaffrey, who needs only a 3.4 per cent swing.

● Waipa, where National's Marilyn Waring appears not only to be holding most of her own party's vote, but making inroads (for instance among the young) into others' support.

● Yaldhurst, where National is fielding a capable candidate, Margaret Murray, against Labour stalwart Mick Connelly.

● Clutha, where Labour's most handsome — and otherwise attractive in personality and intelligence — candidate Clive Mathewson is trying for a 4.5 per cent swing against low-key Robin Gray, sitting National MP.

● Waitaki, where Labour is fielding a much more attractive candidate than in 1978, former Jim Sutton.

● Miramar, where young Peter Neilson has a lot more guns than Minister of Works Bill Young.

● Sacred-strong Bay of Islands, where Labour's vote might go down with a less impressive candidate than in 1978, and Kaimai, Kaipara, Rangitikei and Waitotara where better-than-1978 candidates should, if the theory is right, push the Labour vote up.

And, for a potential negative effect:

● Eden, where Labour's Ian Scott has been outspoken about his homosexuality.

● Napier, where outsider Geoff Braybrooke is trying to take over from Gordon Christie.

● East Cape, where Marginal Lands Board affairs minister Duncan MacIntyre is standing.

One final factor may be of passing interest: organisation. Labour's organisation is a lot better this year and in a number of seats it outstrips National's.

The best example is Lyttelton, which Labour's Ann Hercus is turning into a safe seat.

Watch particularly Whangarei, where the local organisation has uncovered 1100 non-voters in 1978 who are leaning towards Labour. If they get that lot out to vote, it will be enough on its own to win the seat.

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Desertions

One reason why there might be unusual variations this time lies in the changing pattern of party support.

This became sharply evident during the Springbok tour when middle class liberals were deserting National for Labour and working class conservatives were going the other way.

This could mean a seat like Wellington Central falls to Labour, even though the overall swing necessary is far less than the 2.5 per cent.

Wellington Central includes large tracts of middle class liberal voters in Waikeana, Thorndon and Kelburn. And its liberal candidate, Fran Wilde, is likely to pick up most of the 1217, 1978 Values votes, enough on their own to wipe out conservative Ken Comber's majority on their own.

There has also been evidence of disaffection with National among both the establishment, which has never felt happy

National majorities in Birkenhead (where Labourites have allowed themselves to hope for all the 7.9 per cent swing needed, despite incumbent MP Attorney-General Jim McLay's apparent personal popularity) and deep blue North Shore, where Labour has one of its most active and well-funded campaigns.

Remuera likewise should be interesting. If the business establishment really is as unhappy with Muldoon as rumoured, it should show up there — in non-vote and, perhaps, a rise in Values vote (or even Labour's).

Karori-based Ohariu in Wellington and plucky Fendalton in Christchurch are other electorates to watch for this phenomenon. Labour strategists have become increasingly bullish about Fendalton, which would fall with the sort of swing Labour got in Christchurch last time.

If this trickle has, as National believes, grown to a river, it could both thwart Labour's chances in some marginals and even, in a close election, produce some shifts National's way.

Watch the provincial and mixed town-rural marginals for indications.

Top of the list: Wairarapa, where pro-tour Minister of Maori Affairs and Police Ben Couch is considered safe, despite Labour's needing only a 2.5 per cent swing.

Then come two South Island seats: Blenheim-based Marlborough, where, if the tour factor is strong, Labour could be denied its pivotal gain (only 1 per cent swing needed); and Oamaru-based Waitaki (swing needed: 4.3 per cent), which felt the spillover of the Springbok's game in Timaru (watch the Labour majority in that safe seat too).

Onehunga, where One Tree Hill suffers from Remuera spillover and Ellerslie and Onehunga proper may bleed the other way; Western Hutt, where National claims to have been making gains in working class Petone but the more affluent hills may counterbalance it; and Taupo, where National thinks the tour helped it in Tokoroa but where the blue rinse set in Taupo town may not be so keen on Muldoon.

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Then keep an eye on Kaipara, where Neven McConachy needs only a 1.7 per cent swing to win.

Rangiriri (where the Wakatere land issue may help), Waitotara and East Coast Bays look-alike Fakuranga would be at risk.

Those are all National seats, which Social Credit can win only by pushing Labour into a distant third.

But this sword works two ways. Social Credit was second ahead of National in two safe Labour Maori seats in 1978 and in the Christchurch Central by-election in 1979.

First watch to see if National can get back into second in Christchurch Central.

If it does, then watch Wanganui (where Sacred candidate Terry Heffernan is a much better performer than National's Jenny Tolhurst) and those two other rock-safe Labour Christchurch seats, Avon and Sydenham, to see whether it can repeat the dose.

If Social Credit started to do really well in such seats, it could force a re-evaluation of

The electorates

From Page 37

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 7.8% from National to Labour
Swing needed for National to take seat: 7.4%

52. Manawatu

ELECTORATE THUMBNAIL: Mixed urban-rural seat. Northern portion of Palmerston North city plus city's hinterland. Rural area consists of sheep and dairy farming, and some horse stud breeding. Stretches from the Manawatu Gorge south past Linton and across to the coast.

CANDIDATES: National, Michael Cox, MP, 42, former accountant; Labour, Dennis Kessell, 39, driver; Social Credit, Ross Doughty, 42, businessman; Values, Elizabeth Teulon, 30, teacher.

1975 RESULT: National, 9186; Labour, 8633; Social Credit, 1478; Values, 814.
1978 RESULT: National, 8063; Labour, 8750; Social Credit, 3064; Values, 393.

PARTY LOYALTIES: The presence of former National candidate Doughty to Social Credit has thrown a big unknown variable into what should be a relatively safe National seat — but for whom?

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 7.6% from National to Labour
Swing needed for Labour to take seat: 4.4%

53. Horowhenua

ELECTORATE THUMBNAIL: Mixed urban-rural electorate, west of the Tararua range stretching from Waikeana in the south to Himatangi in the north. Fruit and vegetable growing, sheep, some dairy and horse stud breeding. Urban areas are Levin, Otaki and Waikeana.

CANDIDATES: National, Geoffrey Thompson, MP, 41, former lawyer; Labour, David Page, 44, psychologist; Social Credit, (Mrs) Bobbie Smith, 62, teacher; Values, Barbara Hager, 51, hospital counsellor.

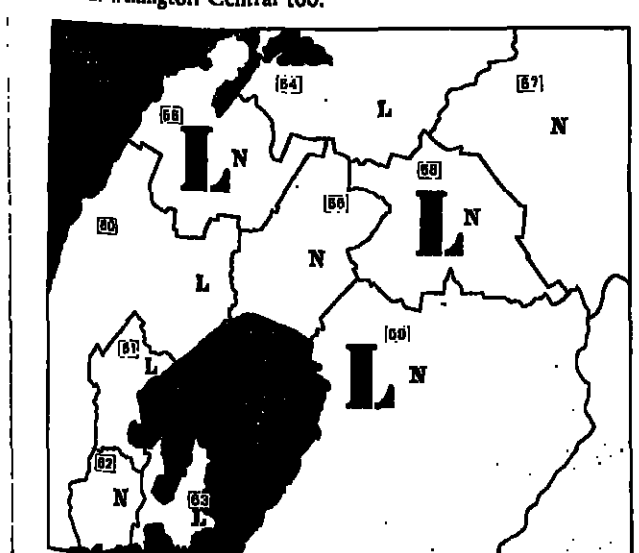
1975 RESULT: National, 8772; Labour, 8132; Social Credit, 1459; Values, 682.
1978 RESULT: National, 8956; Labour, 8212; Social Credit, 3231; Values, 346; Other, 160.

PARTY LOYALTIES: Thompson has had his problems with factory closures and contractions as a result of Government policies on the textile industry and sales tax on caravans, but may benefit from a land grab for horticulture and his own meticulous attention to detail. In any swing to Labour Horowhenua will probably move less than average so Labour needs a 1978 size swing to net this seat.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 2.4% from National to Labour
Swing needed for Labour to take seat: 2.2%

Wellington

WELLINGTON has the most marginal seats for both National (Kapiti) and Labour (Western Hutt), making it the region to watch on election night. If Western Hutt goes National, so does the Government. Kapiti would not do the same for Labour, but Miramar, plumb on the political fault line — the notional boundary between a Labour and a National majority — may. To be sure, Labour would also need to pick up, or at least run National close in Wellington Central too.



54. Kapiti

ELECTORATE THUMBNAIL: Suburban commuter electorate stretching from just south of Waikeana to Waiangara near Porirua. Mixture of estate housing to higher income areas, including wealthy holiday homes.

CANDIDATES: National, Barry Brill, MP, Undersecretary of Energy, 39, former lawyer; Labour, Margaret Shields, 40, research officer; Social Credit, Don Briggs, 51, marketing consultant.

1975 RESULT: National, 7989; Labour, 6811; Social Credit, 936; Values, 721.
1978 RESULT: National, 8211; Labour, 8188; Social Credit, 2345; Values, 305.

PARTY LOYALTIES: The most marginal seat in the country. If National holds it, it will be the Government. Brill and Shields met in 1978 and a Shields win then was overturned only on a marginal electoral count. Both parties can point to differences which they think have improved their position compared with 1978, but the electorate is essentially the same as it was then and any swing Labour's way in the country at large will pick up Kapiti.

CLASSIFICATION: Highly marginal National
Two-party swing 1975-78: 4.7% from National to Labour
Swing needed for Labour to take seat: 0.1%

55. Porirua

ELECTORATE THUMBNAIL: Suburban electorate dominated by large scale state housing. Several major manufacturing industries.

CANDIDATES: Labour, Gerald Wain, MP, associate shadow minister of health, 50, former doctor; National, Aileen Pearson, 38, public servant; Social Credit, Eddie Brittain, 37, teacher; Socialist Unity Party, John Venn, 36, oil tanker driver; Independent, Geoff Wallace, 44, company director; Independent, M. J. Macdonald, 44, company director.

1975 RESULT: Labour, 7728; National, 5630; Values, 2185; Social Credit, 840.

1978 RESULT: Labour, 8142; National, 4486; Social Credit, 2177; Values, 2043; Other, 70.

PARTY LOYALTIES: The main interest here lies in what will happen to the votes liberal Helen Smith won for Values in 1978, many of them probably an escape from Labour's conservative Gerry Wall. The only prospect for change is the replacement of Wall as Labour candidate for the next election.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 6.2% from National to Labour
Swing needed for National to take seat: 14.8%

56. Western Hutt

ELECTORATE THUMBNAIL: Mixed urban electorate covering western side of the Hutt Valley and taking in higher income areas of Hutt city. Stretches south from north of Johnsonville around the harbour across to Hutt river mouth at Patone. Takes in all Western Hutt hill suburbs.

CANDIDATES: Labour, John Terrie, MP, associate shadow minister of education, 42, former public servant; National, John Tanner, 42, accountant; Social Credit, Ivan Woollof, 35, sales manager; New Force, Bas Zardbergen, 28, public servant; Independent National, Donald McPherson, retired builder.

1975 RESULT: National, 8308; Labour, 7218; Values, 1004; Social Credit, 884.
1978 RESULT: Labour, 8368; National, 8200; Social Credit, 1645; Values, 348; Other, 171.

PARTY LOYALTIES: National's best chance of a gain, which is possible even if there is a slight movement to Labour nationwide. Lower Hutt city councillor Terrie has a high local profile and a sound organisation but Tanner's business connections may regain all National votes in that stratum and his time on the Patone Borough Council is leading to some pickup of membership in a previously rock-solid Labour area.

CLASSIFICATION: Marginal Labour
Two-party swing 1975-78: 4.0% from National to Labour
Swing needed for National to take seat: 0.8%

57. Heretaunga

ELECTORATE THUMBNAIL: Suburban electorate taking in northern portions of the Hutt Valley around Upper Hutt. Housing developments in the area in recent years have meant some changes in the complexion of the seat.

CANDIDATES: Labour, Bill Jeffries, 38, lawyer; National, Ronald Palmer, 44, employers' official; Social Credit, John Ross, 54, insurance representative.

1975 RESULT: Labour, 7811; National, 7089; Social Credit, 1029; Values, 769.
1978 RESULT: Labour, 8088; National, 6342; Social Credit, 2110; Values, 689.

PARTY LOYALTIES: National has long-term hopes of winning Heretaunga as it contracts on relatively prosperous Upper Hutt with successive boundary changes. But this time round Heretaunga should be safe.

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 7.0% from National to Labour
Swing needed for National to take seat: 8.8%

58. Eastern Hutt

ELECTORATE THUMBNAIL: Wholly suburban. Comprises large areas of state and low income housing plus industrial complexes.

CANDIDATES: Labour, Trevor Young, MP, associate shadow minister of local government, special responsibility for tourism, 58, former lawyer; National, Alexander Duthie, 36, bank officer; Social Credit, Ian MacRae, 46, fitter and turner.

1975 RESULTS: Labour, 9874; National, 6611; Social Credit, 1089; Values, 863.

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1978 RESULT: Labour, 7728; National, 7288; Social Credit, 936; Values, 700.

CLASSIFICATION: Safe Labour
Two-party swing 1976-78: 15.2% from National to Labour
Swing needed for National to take seat: 22.3%

CANDIDATES: Derek Quigley, MP, Minister of Housing and Tourism, 48, former farmer, lawyer; Labour, Chris Hayward, 26, teacher; Social Credit, Bill Morgan, 32, lawyer.

1978 RESULT: Labour, 10,737; National, 7448; Social Credit, 1369; Values, 736; Other, 8.

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CANDIDATES: Labour, John Kirk, MP, associate shadow minister of transport, 34, former union organiser; National, Warwick Sykes, 39, com-

in 1987, when Labour won on the election night count but lost it on special votes, and particularly since the big anti-National swing in Christchurch in 1978, Fendallton is no longer completely beyond Labour's sights, given a big enough swing nationwide and the help of middle-class anti-Muldoonism.

CLASSIFICATION: Marginal Labour
Two-party swing 1975-78: 4.4%
from National to Labour
Swing needed for National to take
seat: 3.7%

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CLASSIFICATION: Fairly safe National
Two-party swing 1976-78: 7.3% from National to Labour
Swing needed for Labour to take seat: 6.8%

CLASSIFICATION: Fairly safe Labour
Two-party swing 1976-78: 3.9% from National to Labour
Swing needed for National to take seat: 6.2%

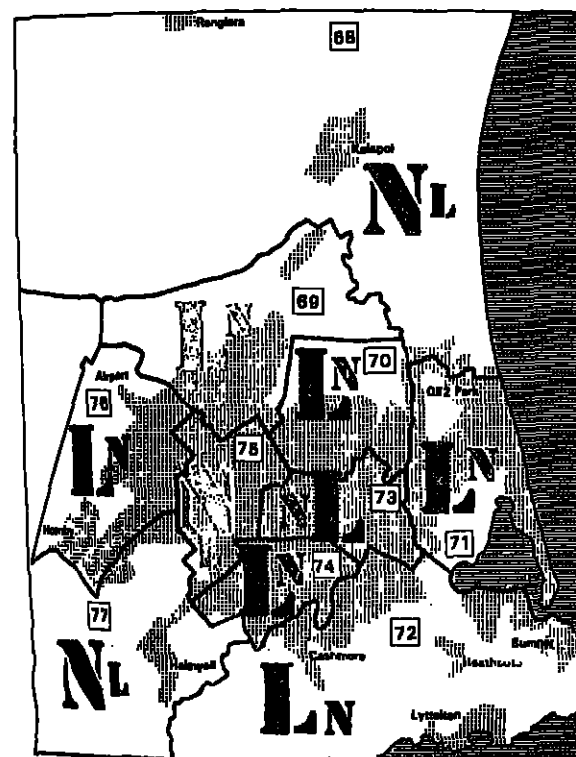
76. Yaldhurst

ELECTORATE THUMBNAIL: Includes middle income housing areas of Riccarton through towards the airport where there are large holdings of 10-acre blocks and horse stud farms. Contains industrial area of Homby.
CANDIDATES: Labour, Michael Connelly, MP, shadow minister of works, police and defence, 66, former accountant; National, Margaret Murray, 38, housewife; Social Credit, Norman Davey, 64, retired engineer; Values, Alan Waldman, joint leader, 39, computer programmer; Citizens Democratic, G H Bucknall.

1976 RESULT: National, 8538; Labour, 7786; Values, 1092; Social Credit, 774.
1978 RESULT: Labour, 10,188; National, 8548; Social Credit, 1870; Values, 487.

PARTY LOYALTIES: In demographic make-up, Yaldhurst should be National and will probably become a basically National seat sometime this decade. But Connelly has a strong personal following and should win even if there is a small nationwide swing to National this time. National is running a particularly vigorous campaign, marking perhaps the beginning of a National revival in a Labour town.

CLASSIFICATION: Marginal Labour
Two-party swing 1976-78: 8.7% from National to Labour
Swing needed for National to take seat: 4.4%



77. Selwyn

ELECTORATE THUMBNAIL: Mixed urban-rural electorate taking in parts of suburban Christchurch, stretching west to Springfield and the mountains and south to the Rakai river. Takes in southern side of Banks Peninsula.
CANDIDATES: National, Ruth Richardson, 30, farmer, lawyer; Labour, Bill Woods, 38, shopkeeper, poultry farmer; Social Credit, Jim Gribben, 56, postmaster.

1976 RESULT: National, 10,101; Labour, 8099; Social Credit, 938; Values, 899.
1978 RESULT: National, 8336; Labour, 7104; Social Credit, 2537; Values, 411.

PARTY LOYALTIES: Gave one of the biggest swings to Labour in 1978 and dissatisfaction with retiring Minister of Transport Colin McCashan. National sees the injection of a vigorous new candidate as putting the seat safe. Labour sees her aggressive campaigning style as giving it a chance. A nationwide swing of 1.978 dimensions would put Selwyn at risk, but most assessments make it a less likely gain than Rangiora.

CLASSIFICATION: Marginal National
Two-party swing 1976-78: 8.4% from National to Labour
Swing needed for Labour to take seat: 4.0%

78. Ashburton

ELECTORATE THUMBNAIL: Stretches south from the Rakai river nearly to Timaru and west to the mountains. Includes Geraldine, Temuka and Ashburton. Strong sheep, cattle and mixed cropping area with an increasing tourist industry.

CANDIDATES: National, Rob Talbot, MP, Undersecretary of Agriculture, 58, former farmer; Labour, John Sney, 48, farmer; Social Credit, Ian Down, 59, farmer.

1976 RESULT: National, 11,835; Labour, 6947; Social Credit, 1153; Values, 816.
1978 RESULT: National, 10,478; Labour, 7473; Social Credit, 2785; Values, 271.

PARTY LOYALTIES: The main interest here lies in who will succeed Talbot to the National party nomination in 1984.

CLASSIFICATION: Fairly safe National
Two-party swing 1976-78: 4.8% from National to Labour
Swing needed for Labour to take seat: 6.4%

79. Timaru

ELECTORATE THUMBNAIL: Principally provincial city electorate which includes some of the surrounding farmland. Town services grain and sheep farming area.

CANDIDATES: Labour, Sir Basil Arthur, MP, shadow minister of primary industries, 62, former trade unionist; National, Margaret Courghan, 41, housewife, pharmacist; Social Credit, Lynley Sirmans, 28, public servant.

1976 RESULT: Labour, 9087; National, 8304; Social Credit, 1187; Values, 525.
1978 RESULT: Labour, 9877; National, 7794; Social Credit, 2180; Values, 512.

PARTY LOYALTIES: National's vigorous candidate is reliving long dormant hopes of winning here, and those hopes have been boosted by the cancellation of the Springboks' South Canterbury match in August. But Timaru has been safe for Labour for decades and it would take an earthquake to shift that.

Otago-Southland

HIGHLY marginal Invercargill should be Labour's top priority in the deep south, but because of Norman Jones' idiosyncratic appeal there, it rates as better prospects Waitaki, centred on Labour-voting Oamaru, and Clutha, reaching up to the Dunedin dormitory town of Mosgiel. National puts St Kilda among its possibles, but it has been doing that for a long time without results.

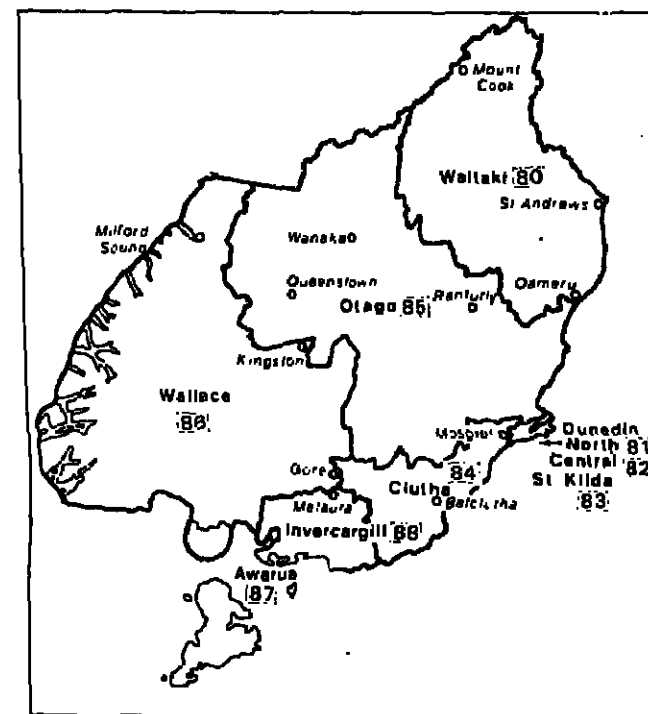
80. Waitaki

ELECTORATE THUMBNAIL: Mixed electorate centred on Oamaru taking in the McKenzie country in the north west, down to the coast south of Timaru, south past Oamaru and west to Lake Ohau. Includes towns of Oamaru and Waitema. A rural sheep farming area.

CANDIDATES: National, Jonathan Elworthy, MP, 44, former farmer; Labour, James Sutton, 38, farmer; Social Credit, Percy Gould, 39, farmer.
1976 RESULT: National, 9581; Labour, 7760; Social Credit, 1502; Values, 488.

1978 RESULT: National, 8378; Labour, 7060; Social Credit, 3841; Values, 237.

PARTY LOYALTIES: Seats built around Oamaru have never been safe for National, but seldom left its camp either. Irrigation-based progress is working to National's advantage, but a more respectable Labour candidate this time than in 1978 and job fears in Twizel after the Government's decision



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to use private enterprise in dam construction makes this a more realistic gain for Labour than it appears on the surface, though this may be offset by the workforce's progressive departure to the Clutha. There may also be a backlash against Labour from the Springbok tour. A late change of Social Credit candidate adds another imponderable.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 0.5% from National to Labour
Swing needed for Labour to take seat: 4.3%

81. Dunedin North

ELECTORATE THUMBNAIL: Suburban electorate taking in part of the north Otago Harbour. Takes in some of the better Dunedin housing areas.

CANDIDATES: Labour, Stan Rodger, MP, Opposition junior whip, 41, former public servant; National, Charles Bleach, 48, farmer; Social Credit, Hamish Woods, 26, student; Wizard Party, W P Everson.

1975 RESULT: National, 8740; Labour, 7782; Values, 2075; Social Credit, 1180.
1978 RESULT: Labour, 9846; National, 8996; Social Credit, 2228; Values, 789; Other, 568.

PARTY LOYALTIES: Astonished political pundits and party activists alike when it went National in 1978. Rodger has returned it to its former safe Labour status, which it has had for 50 years.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 11.4% from National to Labour
Swing needed for National to take seat: 8.6%

82. Dunedin Central

ELECTORATE THUMBNAIL: Lower to middle income areas and industry in an urban electorate which also covers central Dunedin industrial district.

CANDIDATES: Labour, Brian Macdonell, MP, shadow minister of customs and post office, 46, former bank officer; National, Nancy King, 38, public servant; Social Credit, David Hood, 37, psychiatric nurse.

1975 RESULT: Labour, 8292; National, 6896; Values, 1344; Social Credit, 1321.
1978 RESULT: Labour, 9193; National, 5780; Social Credit, 2649; Values, 686.

PARTY LOYALTIES: Less safe for Labour than it was, but still beyond National's grasp unless disaster overtakes Labour nationwide.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 6.8% from National to Labour
Swing needed for National to take seat: 11.4%

83. St. Kilda

ELECTORATE THUMBNAIL: Mixed suburban electorate with lower-cost established housing on the flat and higher-cost new housing on the Peninsula.

CANDIDATES: Labour, Michael Cullen, 38, lecturer, National, John Clark, 52, restaurateur; Social Credit, Ron Colles, 41, insurance supervisor.

1975 RESULT: Labour, 9723; National, 7801; Social Credit, 1420; Values, 1138.
1978 RESULT: Labour, 10,084; National, 7105; Social Credit, 2638; Values, 888; Other, 24.

PARTY LOYALTIES: Gradually moving towards National as new higher-cost housing stretches along the Peninsula. The advent of pushy academic Cullen may help the movement. Nationalists hope, particularly in view of his opposition to the proposed aluminium smelter at Aramoana, near Dunedin. National feels, and there is a little evidence to support it, that the tide may be beginning to turn for it in Dunedin, and if there were a Labour collapse nationwide St Kilda would be within its sights.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 3.1% from National to Labour
Swing needed for National to take seat: 8.7%

84. Clutha

ELECTORATE THUMBNAIL: Mixed electorate including the commuter town of Mosgiel, sheep and crop farming. Service towns of Balclutha and Milton.

CANDIDATES: National, Robert Gray, MP, 50, farmer; Labour, Clive Mathewson, 37, civil engineer; Social Credit, Scott Moody, 63, real estate salesman.

1975 RESULT: National, 9822; Labour, 7424; Social Credit, 989; Values, 454.
1978 RESULT: National, 8808; Labour, 7381; Social Credit, 2767; Values, 272.

PARTY LOYALTIES: Labour-leaning Mosgiel brought this once-safe National seat into the marginal class in 1978, but there was a below-average swing to Labour then, even though popular former minister Peter Gordon was retiring. One would normally say that three years in the House should make Gray a bit more difficult to topple this time than it appears on paper, but a more presentable Labour candidate and an energetic organisational effort has given Labour high hopes. But it would probably need a swing of near 1978 dimensions for Labour to win this one.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 2.5% from National to Labour
Swing needed for Labour to take seat: 4.8%

85. Otago

ELECTORATE THUMBNAIL: The country's largest electorate. Extends in the north from Oamaru city to Tuapeka county in the south. Includes Alexandra, Cromwell and Queenstown. Sheep farming, cattle farming, orchards, cropping, tourism and hydro schemes.

CANDIDATES: National, Warren Cooper, MP, Minister of Broadcasting, 48, former motel operator, retailer; Labour, Bryan Griffiths, 48, life insurance rep; Social Credit, Mike Robertson, 56, rural milk contractor.

1975 RESULT: National, 9980; Labour, 5578; Social Credit, 1076; Values, 534.
1978 RESULT: National, 9109; Labour, 5387; Social Credit, 3236; Values, 430.

PARTY LOYALTIES: National territory but Social Credit has gained and Labour may do better from the swelling Clutha workforce.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 1.3% from National to Labour
Swing needed for Labour to take seat: 12.8%

86. Wallace

ELECTORATE THUMBNAIL: Rural electorate stretching from Gore in the east, west to the coast. Sheep and cattle farming. Tourism around Te Anau and Manapouri.

CANDIDATES: National, Derek Angus, 43, stock buyer; Labour, Ernest Dicks, 57, farmer, clerk; Social Credit, Owen Horton, 45, farmer; No Declared Affiliation, Audrey Bogg.

1975 RESULT: National, 11,752; Labour, 4458; Social Credit, 1797; Values, 564.
1978 RESULT: National, 9253; Labour, 3929; Social Credit, 3147; Alternative National Independent, 2189; Values, 170.

PARTY LOYALTIES: Retiring Minister Brian Talboys could afford the luxury of an alternative National candidate last time and still rack up one of the party's biggest majorities. If this fell, there would not be much left of the National Party.

CLASSIFICATION: Safe National
Two-party swing 1975-78: 2.3% from National to Labour
Swing needed for Labour to take seat: 20.2%

87. Awarua

ELECTORATE THUMBNAIL: Mixed electorate including a large chunk of Invercargill, sheep farming and the Bluff harbour area. Includes timber, aluminium smelter, fishing industry and coal exploration areas.

CANDIDATES: National, Rex Austin, MP, 50, former farmer; Labour, Dick Fitzgerald, 52, railways foreman; Social Credit, Rex Henderson, 52, proprietor of home appliance company.

1975 RESULT: National, 9466; Labour, 6628; Social Credit, 1689; Values, 394.
1978 RESULT: National, 8083; Labour, 6633; Social Credit, 4604; Values, 128.

PARTY LOYALTIES: Logically should be marginal, but a strong Social Credit presence and a never-ending quality about the far south has put it beyond Labour's reach. Much interest will centre on how well Social Credit goes in its only pocket of deep support in the South Island.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 3.3% from National to Labour
Swing needed for Labour to take seat: 5.0%

88. Invercargill

ELECTORATE THUMBNAIL: Provincial city seat taking in most of Invercargill city with part of Awarua market gardens in the south.

CANDIDATES: National, Norman Jones, MP, 58, former polytechnic tutor; Labour, David Soper, 47, union secretary; Social Credit, Milan Ralich, 53, self-employed.

1975 RESULT: National, 10,342; Labour, 7083; Social Credit, 1188; Values, 565.
1978 RESULT: National, 8806; Labour, 8410; Social Credit, 2760; Values, 175.

PARTY LOYALTIES: The last Labour MP to hold this seat from 1972 to 1975 came from National to do it. Though on paper any sort of swing should put Invercargill Labour's way, the matter is not so simple. Internal Labour splits have weakened the opposition and independent Labour noted for his out-spoken right-wing comments, may be building up a personal following. But there is a change coming about the seat in 1978 that in the country as a whole, so predict it should be made with caution.

CLASSIFICATION: Marginal National
Two-party swing 1975-78: 8.0% from National to Labour
Swing needed for Labour to take seat: 0.8%

Maori seats

MAIN interest centres on Mana Motuhake, which is challenging the 40-year Labour stranglehold in all four seats. Particularly watch former Labour Minister of Maori Affairs Mat Rata trying for the second time to take Northern Maori off Labour for the new party.

89. Eastern Maori

ELECTORATE THUMBNAIL: Includes the Coromandel area. Stretches south from the southern edge of the Auckland isthmus to Tangimoana in the

southwest, across to Mangaweka up through the Kaingaroa forest to a point east of Thames.

CANDIDATES: Labour, Dr Peter Tapsell, 51, medical practitioner; National, Charles Little, 40, seafood exporter; Social Credit, R T Tibble; Mana Motuhake, Aile Tahann, 37, public servant.

1975 RESULT: Labour, 8491; National, 2230; Social Credit, 548; Values, 206.

1978 RESULT: Labour, 9085; National, 1885; Social Credit, 1195; Values, 182.

PARTY LOYALTIES: Solidly Labour for many years. Main interest centres on how well Mana Motuhake will perform.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 5.2% from National to Labour
Swing needed for National to take seat: 34.4%

90. Northern Maori

ELECTORATE THUMBNAIL: Stretches from the far north down to a line across the northern side of the Manukau Harbour running through the middle of Auckland to Ducklands beach in the east.

CANDIDATES: Labour, Bruce Gregory, MP, 44, former doctor; Mana Motuhake, Mat Rata, former Labour Minister of Maori Affairs, 47, former driver; Social Credit, Pat Campbell, 48, farmer; National, Maria Taitoni, 40, dental nurse; Independent, H G Birch.

1975 RESULT: Labour, 5988; National, 1837; Social Credit, 500; Values, 231.

1978 RESULT: Labour, 6071; Social Credit, 1227; National, 1049; Values, 148.

1980 BY-ELECTION: Labour, 3500; Mana Motuhake, 2509; Social Credit, 560; Other, 102.

PARTY LOYALTIES: Stayed Labour in the by-election precipitated by Rata's defection from the Labour Party in 1978 and subsequent resignation from parliament. But Rata's strong second place then means Labour is not safe. A complicating factor: New Social Credit candidate Campbell has a big pull around the haka, with unpredictable results.

CLASSIFICATION: Fairly safe Labour
Two-party swing 1975-78: 9.1% from Labour to Social Credit
Two-party swing 1978-80: 42.0% from Labour to Mana Motuhake
Swing needed for Mana Motuhake to take seat: 8.1%

91. Southern Maori

ELECTORATE THUMBNAIL: Extends from the Gisborne district through Hawkes Bay and includes the remaining portions of the North Island and all the South Island.

CANDIDATES: Labour, Whetu Tirikatene-Sullivan, MP, 50, former social worker; National, Barry Kivana, 29, marketing representative; Social Credit, Robert Makum, 46, sales representative; Mana Motuhake, Angela Reda, 37, lecturer; Independent, Don Mihaka, 40.

1975 RESULT: Labour, 7701; National, 1256; Social Credit, 838; Values, 246.

1978 RESULT: Labour, 10,250; National, 1070; Social Credit, 1114; Values, 117.

PARTY LOYALTIES: Labour usually gets its highest percentage of the vote.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 4.6% from National to Labour
Swing needed for National to take seat: 40.8%

92. Western Maori

Auckland isthmus to Tangimoana in the southwest, across to Mangaweka and up through the Kaingaroa forest to a point east of Thames.

CANDIDATES: Labour, Kora Wetere, MP, 48, former farmer, National, William Katene, 50, consultant; Social Credit, T Te Hira; Mana Motuhake, Eva Rikard, 56, consultant on land issues.

1975 RESULTS: Labour, 10,145; National, 1220; Social Credit, 821; Values, 250.

1978 RESULT: Labour, 11,178; Social Credit, 1457; National, 893; Values, 124.

PARTY LOYALTIES: Solidly Labour and should remain so, but watch for Rikard.

CLASSIFICATION: Safe Labour
Two-party swing 1975-78: 4.0% from Labour to Social Credit
Swing needed for Social Credit to take seat: 38.5%

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